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THE
LEGISLATIVE ASSEMBLY DEBATES
(Official Report)

Volume II, 1931.

19th February to 11th March, 1931

FIRST SESSION
OF THE
FOURTH LEGISLATIVE ASSEMBLY,
1931



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GOVERNMENT OF INDIA PRESS
1931



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Legislative Assembly.

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Deputy President :

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MAULVI MUHAMMAD YAKUB, M.L.A.

RAI SAHIB HARBILAS SARDA, M.L.A.

Secretary :

MR. S. C. GUPTA, BAR.-AT-LAW.

Assistant of the Secretary :

RAI BAHADUR D. DUTT.

Marshal :

CAPTAIN NUR AHMAD KHAN, M.C., I.O.M.

Committee on Public Petitions :

MR. R. K. SHANMUKHAM CHETTY, M.L.A., *Chairman.*

SIR HUGH COCKE, KT., M.L.A.

SIR ABDUR RAHIM, K.C.S.I., KT., M.L.A.

RAJA BAHADUR G. KRISHNAMACHARIAR, M.L.A.

MIAN MUHAMMAD SHAH NAWAZ, C.I.E., M.L.A.

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LEGISLATIVE ASSEMBLY.

Thursday, 19th February, 1931.

The Assembly met in the Assembly Chamber of the Council House at Eleven of the Clock, Mr. President in the Chair.

QUESTIONS AND ANSWERS.

PERSONS EXPELLED FROM AMBALLA CANTONMENT.

585. ***Mr. Jagan Nath Aggarwal:** (a) Will Government be pleased to state how many persons have been expelled from Amballa Cantonment during the last six months under section 239 of the Cantonments Act of 1924?

(b) Will Government state the "reasons" in each case for taking action under the above section?

(c) Is it a fact that the only reason given in all these cases was that the person concerned was a Congressman?

(d) Are Government aware that section 239 makes it obligatory on the part of the Officer Commanding the Station, to specify the grounds by stating the acts done by the persons proceeded against, on which the order of expulsion is proposed to be issued and to give him an opportunity to meet the charge?

(e) Was the above procedure adopted in each case; if not, why not?

(f) Are Government aware that there is great unrest among the people of Amballa Cantonment owing to the alleged abuse of the section?

(g) Has the All-India Cantonments' Association made a reference about this to Government? If so, what action have Government taken on that reference?

(h) Do Government propose to issue instructions that section 239 is not to be used against a person merely on account of his connection with the Congress movement?

(i) Do Government propose to allay the public feeling that has been greatly roused by the use of section 239 of the Cantonments Act in Amballa Cantonment? If so, how?

Mr. G. M. Young: The information has been called for and will be supplied to the Honourable Member on receipt.

EXPULSION OF CERTAIN PERSONS FROM KIRKEE CANTONMENT.

586. ***Mr. Jagan Nath Aggarwal:** (a) Is it a fact that Mr. S. G. Jain, Dr. G. S. Hardikar, elected members of the Cantonment Board, Kirkee and Messrs. Manilal Karam Chand, Shankar Lingaya Kedmote, Mani Lal Laloo Bhai, Nagindass Lal Chand, Raja Ram Shankerrao Kadan and Dadha Bhai Ardeshir Dinshaw, some very respectable residents of Kirkee

Cantonment were ordered by the Officer Commanding the Station to quit the Cantonment of Kirkee under section 239 of the Cantonments Act of 1924?

(b) Will Government please state the specific act or acts alleged to have been done by each of the gentlemen, for which the orders of expulsion were passed against them?

(c) Were they informed of those alleged 'acts' and what opportunity, if any, was given to them to clear their position with regard to those acts?

(d) Are the expulsion orders still in force? If not, under what circumstances were they withdrawn?

(e) Is it a fact that the persons expelled were asked to tender an apology drafted by the Officer Commanding the Station and they tendered the same as the price of their safe residence in the Cantonment?

(f) Do Government propose to direct a public inquiry to be made into all these cases of expulsion?

Mr. G. M. Young: The information has been called for and will be supplied to the Honourable Member on receipt.

THE HOUSE ACCOMMODATION AMENDMENT ACT.

587. ***Mr. Jagan Nath Aggarwal:** (a) Have Government seen the article published in the *Cantonment Advocate* of December, 1930, under the heading "The Mischief of Hurried Amendments"?

(b) Is it a fact that, before the House Accommodation Act of 1928 was amended by Act IX of 1930, it was Government that made a reference about the rent and repairs of the house to be appropriated, to an Arbitration Committee, in case the rent offered and the repairs required by Government were not acceptable to the house-owner?

(c) Has this position been reversed by the Amending Act of 1930, according to which it is the house-owner who is to make such a reference to the District Judge if he does not accept the rent offered or does not agree to the repairs required, by Government?

(d) Are Government aware that the house-owners consider the alleged arrangement to be quite unfair to them and an unjustifiable interference with their inherent right as owners?

(e) Do Government know that in Cantonments there are some very poor house-owners whose only source of livelihood is the rent of their house and that it is extremely difficult for them to bear the cost of making such a reference to the District Judge?

(f) Will Government state the reasons why they have altered the arrangement?

(g) Is it a fact that one of the objects of the House Accommodation Act is the protection of the interests of house-owners?

Mr. G. M. Young: (a) Yes, Sir, but I may observe that there was nothing hurried about these amendments. More than a year elapsed from the time that they were first proposed to the time that they became law. During that interval the proposal received the concurrence of the military authorities concerned, all Local Governments and their High Courts, the All-India Cantonments' Association, whose organ is the *Cantonment Advocate*, a Select Committee of this House and, finally the Indian Legislature.

(b) and (c). Under the Act, before its amendment in 1930, the owner could require the Officer Commanding the Station to convene a Court of Arbitration and refer the matter to it. Under the present Act the owner can himself refer the matter to a Civil Court.

(d) No, Sir; no such complaint has been received from house-owners.

(e) and (f). The system of referring these disputes to Committees of Arbitration was found in practice extremely lengthy and cumbrous. Government were of opinion that the substitution of a simple reference to a Civil Court would be welcomed by all concerned: they were confirmed in that opinion by the authorities whom they consulted; and they have, so far, received no information that would lead them to alter it. The only houses that are liable to appropriation under the Act are houses suitable for occupation by a King's Commissioned officer, or by a mess: and it is *prima facie* unlikely that the owners of such houses would be very poor. Nor is there any reason to suppose that the procedure under the amended Act will be appreciably more expensive to house-owners than a reference to a Court of Arbitration. If, however, cases of hardship do arise and are brought to notice, Government will certainly consider what remedial measures are required.

(g) The Act exists for the purpose of ensuring that officers in cantonments have roofs over their heads, and that this object is achieved without detriment to the interests of house-owners.

INADEQUATE DRAINAGE IN CAWNPORE CANTONMENT.

588. ***Mr. Jagan Nath Aggarwal:** (a) Are Government aware that in the part of the Cawnpore Cantonment, inhabited by the non-military population, there is no drainage system whatsoever?

(b) Are Government aware that, owing to the absence of drainage, rain water and other dirty water from residential houses, stands in streets for days together?

(c) Is there any drainage scheme in contemplation? If so, when is it likely to materialise? If not, what are the reasons for not undertaking it?

(d) Did the Cawnpore Cantonment Association represent to the Cantonment Authority, the great need of a regular drainage scheme early in 1930? If so, what action has been taken so far and do Government propose to take any action at all? If so, what and when?

Mr. G. M. Young: (a), (b), (c) and (d). Government have received no reports indicating the state of affairs suggested in the question, but are making enquiries. I will inform the Honourable Member as soon as I am in a position to do so.

RETURN OF SITES TO HOUSE OWNERS IN CAWNPORE.

589. ***Mr. Jagan Nath Aggarwal:** (a) Is it a fact that the Cawnpore Cantonment Authority is asking the house-owners, whose sites were resumed some years ago, to execute a lease for those sites under Schedule VI of the Cantonments Act of 1924, involving payment of rent as a condition of the return of those sites to them?

(b) Will Government be pleased to state why the return of the sites has been made subject to this condition?

(c) Has the All-India Cantonments' Association approached Government in this matter and requested the Government to return these sites unconditionally and to deal with the subject of obtaining leases for old free holds separately as one of general application in the cantonments?

(d) Do Government propose to accept the request of the Association? If not, what are their grounds for making the return of the sites conditional?

Mr. G. M. Young: (a) The sites to which the Honourable Member evidently refers were legally liable to resumption: but it is a fact that their resumption caused hardship and Government have since agreed to re-transfer them to the occupants on perpetual lease in the prescribed form at a nominal rental of Re. 1 per annum for each site.

(b) These sites were originally held on the usual cantonment tenure under which Government had the right to resume them at a month's notice on paying the value of any building that might be standing thereon. The lease forms prescribed under the Cantonment Land Administration Rules, 1925, do not contain a resumption clause, and in view of the security of tenure which they ensure to the lessee, I am sure that my Honourable friend will agree that no injustice has been done to the occupants by offering them such leases in perpetuity. Government have also stated their readiness to modify the prescribed form to any reasonable extent to meet the requirements of the occupants. The nominal rent of Re. 1 per annum has been charged to fulfil certain legal requirements.

(c) Yes, Sir.

(d) The reply to the first part is in the negative. The second part does not arise in view of the reply to part (b).

REGISTRATION OF MEDICAL LICENTIATES.

590. ***Kumar Gupteshwar Prasad Singh:** Is it a fact that the proposed All-India Medical Council has excluded the medical licentiates (L.M.Ps.)? If so, why? Have not the qualifications of the licentiates been recognized as registerable under all the provincial Medical Acts and are Government aware that their services have been appreciated from time to time by Government and the public at large? Are Government prepared to reconsider their case?

The Honourable Khan Bahadur Mian Sir Fazl-i-Husain: The Honourable Member is under a misapprehension. An attempt is being made to create an All-India Medical Council with the object of providing suitable machinery to keep the minimum standard of qualifications of medical graduates at a certain level. This does not, in any way, reflect on the qualifications or the merits of medical licentiates (L. M. Ps.) and in no way is their position or status in the profession to be affected or influenced. Whether it is necessary to have an organization to keep the minimum standard of qualifications of medical licentiates at a certain level is a matter which Government will, in due course, take under consideration. All misapprehension on the subject should, therefore, be removed.

MEDICAL OFFICERS AT THE INDIAN MILITARY HOSPITAL, MEERUT.

591. ***Maulvi Muhammad Shafee Daoodi:** (a) Will Government be pleased to state the number of medical officers working in the Indian Military Hospital, Meerut, during the months of May and June, 1930, and what duties were performed by each?

(b) Are Government aware that the officiating Commanding Officer did not perform any hospital duties personally but entrusted the whole hospital work to the two junior officers working under him, one of whom had joined the service very recently and was under training?

(c) Are Government prepared to place on the table of the House the reports or remarks of the officiating Officer Commanding on the work of the junior officers working under him during this period?

(d) Will Government be pleased to state the names of the officers who acted as Second in Command of the said hospital and the names of those who actually did this work and of those who drew the allowance attached to it during the months of May, June and July, 1930?

Mr. G. M. Young: With your permission, Sir, I propose to answer questions Nos. 591 to 593, together.

The information has been called for and will be furnished to the Honourable Member on receipt. The answer to part (c) of question No. 591 is in the negative.

ALLOWANCES OF MEDICAL OFFICERS AT THE INDIAN MILITARY HOSPITAL, MEERUT.

592. ***Maulvi Muhammad Shafee Daoodi:** Will Government be pleased to state whether there are any rules or regulations governing the allotment of the different allowances attached to an Indian Military Hospital? How many of these allowances were drawn by various medical officers working in the Indian Military Hospital, Meerut, during the year 1930?

MOTOR CAR ALLOWANCE OF THE MEDICAL OFFICER IN CHARGE OF THE CANTONMENT GENERAL HOSPITAL, MEERUT.

593. ***Maulvi Muhammad Shafee Daoodi:** (a) Is it a fact that the Medical Officer in charge of the Cantonment General Hospital, Meerut, is drawing two allowances for his car—one from the Cantonment Board, Meerut and the other from the Army Department?

(b) Is it not a fact that in a similar case in Multan the Medical Officer was compelled to refund one of the allowances? Do Government intend to act similarly in this case?

APPLICATION TO BERAR OF THE SALE OF GOODS ACT.

594. ***Sardar G. N. Mufumdar** (on behalf of Mr. S. G. Jog): (a) Will Government state whether the Sale of Goods Act has been applied to Berar?

(b) If not, do Government propose to take steps to apply the said law to Berar?

† For answer to this question, see answer to question No. 591.

Mr. J. G. Acheson: (a) Yes.

(b) Does not arise.

APPLICATION TO BERAR OF THE INDIAN SUCCESSION ACT.

595. ***Sardar G. N. Mujumdar** (on behalf of Mr. S. G. Jog): (a) Will Government state whether the Indian Succession Act has been made applicable to Berar?

(b) If it has not been made applicable, do Government propose to take steps to apply it to Berar?

Mr. J. G. Acheson: (a) The Indian Succession Act, 1925, which, as the Honourable Member is aware, was a consolidating Act, has not been applied to Berar. The Indian Succession Act, 1865, and the majority of the other Acts which were repealed and re-enacted by the Act of 1925 have been applied and remain applicable.

(b) It is not the practice of the Government of India to take action for the application of Acts to Berar save on reference from the Local Government, to whom a copy of this question and answer will be sent.

~~THE~~ MIGRATORY SCHOOL FOR THE DAUGHTERS OF THE STAFF OF THE GOVERNMENT OF INDIA OFFICES.

596. ***Kumar Gupteshwar Prasad Singh** (on behalf of Rao Bahadur M. C. Rajah): (a) Is it a fact that a boys' school has been made migratory and brought over to Delhi at the present season for the benefit of the boys of the migratory staff of the Government of India?

(b) Is there any idea of making similar arrangements for the benefit of the girls of the migratory staff of the Government of India? If not, why not?

The Honourable Khan Bahadur Mian Sir Fazl-i-Husain: (a) Yes.

(b) No proposal on the subject has been submitted for the consideration of Government.

STIPENDS PAID TO THE STUDENTS OF THE DELHI UNIVERSITY.

597. ***Kumar Gupteshwar Prasad Singh** (on behalf of Rao Bahadur M. C. Rajah): (a) How many stipends and of what amounts do the Delhi University award to candidates for further studies who secure the first few positions in the Matriculation, Intermediate (Science and Arts), and B.A. (Science and Arts) examinations?

(b) Are these stipends awarded to those also who migrate to other Universities for further studies?

(c) Is it a fact that these stipends have been withheld in case of those who appeared in the above examinations held in 1930?

(d) If withheld, what are the reasons for withholding the same?

(e) If not withheld, when is the Delhi University likely to start paying the same?

(f) Are these stipends paid monthly? If not, at what intervals?

The Honourable Khan Bahadur Mian Sir Fazl-i-Husain: (a) A statement giving the information asked for is placed on the table.

(b) and (c). No.

(d) Does not arise.

(e) Payment is made on receipt of bills from the colleges in which the scholarship-holders are enrolled.

(f) The scholarships are payable monthly, except during the long vacation.

Scholarships awarded by the Delhi University.

(Excluding certain endowed scholarships.)

(1) Eight scholarships of Rs. 10 per mensem each, *plus* tuition fee, to students who have secured the highest percentage of marks in the Matriculation or an equivalent examination and who also satisfy the University in any supplementary examination that may be demanded by it.

(2) Five scholarships of Rs. 10 per mensem each, *plus* tuition fee, on the results of the Intermediate examination in Arts.

(3) Three scholarships of Rs. 10 per mensem each, *plus* tuition fee, on the results of the Intermediate examination in Science.

(4) One scholarship of Rs. 10 per mensem, *plus* tuition fee, to a woman student on the results of the Intermediate examination in Arts and Science taken together.

(5) Two scholarships of Rs. 25 per mensem each, on the results of the B.A. examination.

(6) Two scholarships of Rs. 25 per mensem each, on the results of the B.Sc. examination.

SALE TO THE PUBLIC OF COPIES OF THE PUNJAB POLICE RULES.

598. *Mr. Bhuput Sing: Will Government be pleased to state:

(a) whether copies of the Punjab Police Rules (which are also applicable to the Delhi Province) are sold to the public;

(b) if the answer is in affirmative, the depots or places where they can be had;

(c) if not, the reason or reasons for which they are not sold to the public?

The Honourable Sir James Orerar: (a) and (b). The Punjab Police Rules are available on sale and can be had from the Superintendent, Government Printing, Punjab, Lahore.

(c) Does not arise.

RATES FOR FILTERED WATER IN NEW DELHI.

599. *Mr. Bhuput Sing: Will Government be pleased to state:

(a) the number of houses owned by Government and the number that belong to private persons under the New Delhi Municipal Committee;

(b) whether ferrule rates of filtered water supply under para. 15C and para. 3 Table B, of New Delhi Municipal Committee Byelaws of Domestic Water Supply are applicable to both descriptions of houses;

(c) if the answer is in negative, the reason or reasons for the distinction?

The Honourable Khan Bahadur Mian Sir Fazl-i-Husain: (a) Excluding houses intended for occupation by the staff of His Excellency the Viceroy, and His Excellency the Commander-in-Chief and the houses recently built for Press employees and for the employees of the Posts and Telegraphs Department, there are 2,215 house owned by Government. The number owned by private individuals is about 300.

(b) The filtered water supply in New Delhi has not yet been transferred to the New Delhi Municipal Committee and the bye-laws framed by that body are not therefore applicable to either class of houses.

(c) In the case of officers' bungalows and private owned houses, water charges are recovered on the basis of meter readings, while in the case of Government orthodox and unorthodox clerks' quarters other than certain of the Posts and Telegraphs Department quarters, which are not metered, a flat rate is levied based on the average consumption of water. A flat rate is adopted to effect a saving in labour and expenditure.

DEVELOPMENT OF CONNAUGHT PLACE, NEW DELHI.

600. ***Mr. Bhuput Sing:** (a) Will Government be pleased to state whether Government propose to develop the Connaught Place in New Delhi, which, according to the Government Circular issued in March, 1924, is designed to be the principal business centre in New Delhi on the lines of the Sir Stuart Hogg (Municipal) Market in Calcutta? If so, when and, if not, why not?

(b) Will Government be pleased to state the reason or reasons for which urinals and latrines for the use of the public have not yet been constructed at the business centre in the Connaught Place, New Delhi?

The Honourable Khan Bahadur Mian Sir Fazl-i-Husain: (a) New Delhi cannot yet aspire to have a market like the one in Calcutta. But such development as is possible is being made.

(b) The necessity for these conveniences has not hitherto been urged.

Mr. K. Ahmed: There was no such statement made in March, 1924, by the Government?

The Honourable Khan Bahadur Mian Sir Fazl-i-Husain: Quite.

NAMING OF ROADS AND NUMBERING OF HOUSES IN NEW DELHI.

601. ***Mr. Bhuput Sing:** Will Government be pleased to state:

(a) the reason or reasons for which all the roads in New Delhi have not yet been named and name-boards not put up on those which are already existing under section 179 of the Punjab Municipal Act (which is also applicable to the New Delhi Municipal Committee); and

(b) the reason or reasons for which the number-plates have not yet been put up on all private houses in New Delhi as required by the Municipal rules?

The Honourable Khan Bahadur Mian Sir Fazl-i-Husain: (a) All the main roads have now been named and name-boards put up. One or two new roads still lack names and boards.

(b) Number-plates are now being put on all private houses. The delay has been due to some uncertainty as to where responsibility lay.

UNFILTERED WATER SUPPLY IN DARYAGANJ, DELHI.

602. *Mr. Bhuput Sing: Will Government be pleased to state when the unfiltered water supply is going to be extended to that portion of Daryaganj, in Delhi, which has not yet been provided with such supply yet?

The Honourable Khan Bahadur Mian Sir Fazl-i-Husain: This cannot be done until the pumping plant is extended and the Municipal Committee finds funds for the work.

RAILWAY POSTERS DESIGNED BY MESSRS. VEEVERS AND TAIT.

603. *Mr. Bhuput Sing: Will Government be pleased to state:

- (a) whether their attention has been drawn to the fact that there are existent on the boardings of various railway stations in India posters signed "H. Veevers" and "G. Tait"? Among which may be cited:
 - (i) by H. Veevers:—(1) Darjeeling, (2) Shillong, (3) Naini Tal.
 - (ii) by G. Tait:—(1) Kashmere, (2) Delhi, (3) Konarak;
- (b) whether Messrs. Veevers and Tait belong to any Department of Government service;
- (c) if so, the Department or Departments to which they belong and the salary which each gets;
- (d) whether their main duties consist of the preparation of designs;
- (e) if not, whether they prepared those designs in their off times and also if they were paid extra remuneration for those designs and for any other designs that have been obtained from those artists by the Central Publicity Bureau of the Government of India Railway Board and/or different Railway Administrations, State or Company managed, mentioning specifically (i) title of the design, (ii) name of the artist, (iii) amount paid for the design, and (iv) the party purchasing the design, whether the Central Publicity Bureau or any Railway Administration;
- (f) whether there are in the employment of the Government persons, other than Messrs. Veevers and Tait, who turn out designs and whose preparations have been made use of; and
- (g) if the answer is in affirmative, the names and other details of such persons?

Mr. A. A. L. Parsons: (a) Government are aware of this.

(b) and (c). Yes; the Central Publicity Bureau of Indian Railways. Mr. Tait's salary is Rs. 2,250 per month, while that of Mr. Veevers is Rs. 650 per month.

(d) No, but it is one of Mr. Tait's duties to supervise the production of posters.

(e) Mr. Tait was paid nothing for any of the posters painted for the Central Publicity Bureau, while Mr. Veevers has been paid the following sums for posters which he has produced for Indian Railways in his spare time:

	Rs.
Darjeeling	250
Shillong	250
Naini	250
Dakore	250
Mount Abu	200

Mr. Veevers also won one of the prizes offered by the Central Publicity Bureau at the last Simla Fine Arts Exhibition.

(f) Yes.

(g) Mr. Martin Jones, Deputy Traffic Manager, has been paid a sum of Rs. 300 for a poster for Burma Railways.

ESTABLISHMENT OF A CO-OPERATIVE TRAINING INSTITUTE AT BOLPUR AND GOSABA.

604. ***Maulvi Muhammad Shafee Daoodi:** (a) Is it a fact that the proposals put forward by Sir Daniel Hamilton at the Scottish Church College Prize-giving on December 15, 1980, for the establishment of a Co-operative Estate has been agreed to by the Government of India, as reported in the *Statesman*, dated the 29th January, 1981?

(b) Have the Government of India agreed to lend about Rs. 1,50,000 for the establishment of a Bolpur-Gosaba Co-operative Training Institute in view of the recommendations of the Royal Commission on Agriculture in India?

(c) Are the Government of India aware that a full-fledged permanent Co-operative Training Institute has been started at Sabour (Bhagalpur), by the Bihar and Orissa Co-operative Federation, and is located not very far off from Bolpur in the spacious buildings of the old Bengal Agricultural College?

(d) Are Government prepared to consider the advisability of suggesting to Sir Daniel Hamilton to take advantage of the already established Sabour Co-operative Training Institute in his scheme, and instead of dividing his Institute into two parts, one situated at Bolpur and the other at Gosaba, to arrange for the training of his Co-operative Workers partially at Sabour and partially at Gosaba?

The Honourable Khan Bahadur Mian Sir Fazl-i-Husain: (a) and (b). The Government of India have not yet received any complete proposals. Sir Daniel Hamilton was told in private letters from the Honourable the Finance Member, dated January 3rd and January 15th, that if he could work out details for his schemes in consultation with the Bengal Government to their satisfaction, then the application for financial assistance from the Government of India on the scale suggested would receive sympathetic consideration. Since then no further communication has been received from Sir Daniel Hamilton.

(c) Yes.

(d) The Honourable Member's suggestion will be considered when detailed proposals are submitted to the Government of India.

Mr. K. Ahmed: In view of the fact that the Honourable the Finance Member travelled in a special train with Sir Daniel Hamilton after the second week of December last, will the Honourable the Finance Member make a statement and give us some hope with regard to the time that has been spent and the money that has probably been utilised for the special train journey?

The Honourable Sir George Schuster: I do not think I can add to the information given by my Honourable colleague.

Mr. K. Ahmed: In view of the fact that the Honourable the Finance Member's colleague Sir Fazl-i-Husain has said that in the first week and second week of January certain correspondence passed between Sir Daniel Hamilton and the Honourable the Finance Member, and thereafter the Honourable the Finance Member took a special train from Calcutta and travelled together with Sir Daniel Hamilton from that place, he must have had a long talk with him on this subject and naturally this House expects to know what was the useful conversation that passed between him and Sir Daniel Hamilton. Otherwise there would be no meaning in it at all.

(No reply was given.)

NON-GRANT OF DEVALI HOLIDAYS TO THE STAFF OF THE OFFICE OF THE CHIEF ENGINEER, NEW DELHI.

605. *Mr. B. N. Misra: (a) Is it a fact that on all occasions when the Government offices are closed under the Negotiable Instruments Act, there is always a duty staff to attend office?

(b) Is it a fact that the clerks whose turn happens to fall due are made to attend office irrespective of their religion?

(c) Is it a fact that on the last Devali holidays the office of the Chief Engineer, New Delhi, was not closed on the 22nd and 23rd October last, in spite of the fact that the holidays were given under the Negotiable Instruments Act?

(d) Is it a fact that on a representation from the Hindu staff, the Personal Assistant to the Chief Engineer ordered that those who wanted to absent themselves on account of the festival should apply for two days' casual leave?

(e) Is it a fact that, in spite of the leave being granted, the Personal Assistant to the Chief Engineer ordered that the Superintendents would be responsible for the working of the office?

(f) Are Government aware that, as a result of the order, the Superintendents pressed the Hindu clerks to attend during these two days?

(g) If so, what measures do Government propose to adopt to remove this grievance of the clerks?

Mr. Tin Tüt: (a) This is the general practice.

(b) No.

(c) Holidays were given in the Chief Engineer's office on Monday and Tuesday, the 20th and 21st October, 1930, on account of *Devali*. These were gazetted holidays under the Negotiable Instruments Act. Holidays were not granted on the 22nd and 23rd, which were merely local holidays, as the state of work did not permit it.

(d) Yes.

(e) The leave was granted subject to adequate arrangements being made for the disposal of work in Sections. The Superintendents concerned were directed to ensure this.

(f) No Superintendent directed the Hindu clerks to attend office during these two days.

(g) Does not arise.

EMPLOYMENT OF MR. HUGHES IN THE HORTICULTURAL DIVISION NEW DELHI.

606. *Mr. B. N. Misra: (a) Is it a fact that Mr. Hughes has been called on deputation by the Public Works Department, Delhi, to be attached to the Horticulture Division, as Superintendent of Gardens?

(b) If so, will Government please state what technical qualifications does he possess, what pay he was drawing while in the employ of the Punjab Government and what pay he has been offered by the Public Works Department, Delhi?

Mr. Tin Tüt: (a) Yes. It has, however, been decided to revert Mr. Hughes to his post under the Punjab Government.

(b) Mr. Hughes has had four years' experience in private gardens in England and three years' at the Royal Botanic Gardens at Kew, where he attended courses in the following subjects for which he holds certificates:

- (i) Economic Botany.
- (ii) Physics and Chemistry.
- (iii) Systematic and Geographical Botany.
- (iv) General Botany.
- (v) Plant Pathology.

In the Punjab he holds the post of Superintendent of Archaeological Gardens on a scale of pay of Rs. 250—50/2—300—20—700—750. He has been granted a pay of Rs. 650—20—670 in the Public Works Department, Delhi.

CASES TRIED UNDER THE REGULATIONS OF 1883 IN THE NORTH WEST FRONTIER PROVINCE.

607. *Dr. Ziauddin Ahmad: (a) Will Government be pleased to mention the number of cases tried under the Regulations of 1883 in the North West Frontier Province (i) from 1891 to 1900, (ii) from 1921 to 1930? What is the total number of persons who were acquitted in these two periods?

(b) Are Government prepared to inquire into the working of these Regulations?

Mr. J. G. Acheson: (a) No such Regulations are in force in the North West Frontier Province.

(b) Does not therefore arise.

COMMITTEES AND COMMISSIONS PAID FOR BY THE GOVERNMENT OF INDIA.

608. ***Dr. Ziauddin Ahmad:** (a) Will Government be pleased to give the names of the Committees and Commissions of inquiry whose expenses were paid by the Government of India during the calendar year 1980?

(b) What is the total amount of money paid by the Government of India for the working of these Committees and Commissions?

The Honourable Sir James Orerar: The information asked for is being collected and will be supplied to the Honourable Member in due course.

RECRUITMENT OF INDIANS TO THE MILITARY ENGINEERING SERVICE.

609. ***Dr. Ziauddin Ahmad:** (a) Will Government be pleased to give the total number of officers in the gazetted cadre in the Military Engineering Service of the Indian Army?

(b) Is it a fact that there is not a single Indian in this cadre?

(c) Are Indians of requisite qualifications not available for the said cadre?

(d) What steps, if any, have Government taken for the recruitment of Indians in this cadre?

Mr. G. M. Young: (a) to (d). There are 232 commissioned officers and four civilian gazetted officers in the Military Engineering Service. Three of the civilian officers are Indians. So far no Indian has received a commission in the Engineers as the Royal Military Academy, Woolwich, has only recently been opened to Indians.

RECRUITMENT TO THE CIVIL, ELECTRICAL AND MECHANICAL BRANCHES OF THE INDIAN STATE RAILWAY SERVICE.

610. ***Dr. Ziauddin Ahmad:** (a) Will the Government of India be pleased to state the number of candidates recruited by the Public Service Commission through competitive examination for the Civil, Electrical and Mechanical branches of the Indian State Railway Service?

(b) How many of them have left the service?

(c) How many are still waiting for confirmation?

(d) Is it not a fact that persons recruited for a particular branch of engineering work were often those who obtained their degrees in some other branch of engineering?

Mr. A. A. L. Parsons: (a) Of the branches of State Railway Service mentioned by the Honourable Member, the only one to which recruitment is made by competitive examination is the Civil Engineering branch, that is, to the Indian Railway Service of Engineers. The number of recruits to this service through competitive examination since the recruitment by the Public Service Commission was commenced in 1927, has been 30.

(b) None.

(c) Recruits are, in the first instance, appointed on probation for a period of three years. All who have completed their period of probation have been confirmed, with the exception of two, whose period of probation has been extended.

(d) The degrees which are accepted from candidates desirous of admission to the competitive examination are detailed in rule 10 of the Regulations for the recruitment in India for the Indian Railway Service of Engineers, copies of which are in the Library. These allow the admission of candidates who may have obtained degrees in branches of engineering other than civil engineering, to the competitive examination for the Indian Railway Service of Engineers, but the standard and syllabus of that examination are designed to elicit whether such candidates are likely to be suitable recruits for the Indian Railway Service of Engineers, and their appointment depends on the results of this competitive examination. In the last three years, out of the total recruitment of 23 by competitive examination in India to the Indian Railway Service of Engineers, five of the successful candidates were graduates in Mechanical Engineering.

REPORT OF THE HIDE CESS INQUIRY COMMITTEE

611. ***Dr. Ziauddin Ahmad:** Will Government give an opportunity to the Legislative Assembly to discuss the report of the Hide Cess Inquiry Committee?

The Honourable Sir George Rainy: Local Governments have been consulted on the recommendations made in the Report of the Hides Cess Inquiry Committee and their views are awaited. Government are not yet, therefore, in a position to say what action they will take on those recommendations.

ARREST OF CERTAIN EMPLOYEES OF THE NORTH WESTERN RAILWAY WORKSHOPS.

612. ***Maulvi Badi-uz-Zaman:** (a) Has the attention of Government been drawn to the allegations under the heading "Six Railway Men Arrested" and remanded into police custody for stealing some railway property which appeared in the *Civil and Military Gazette*, dated February 5th, 1980?

(b) What were the findings of the Police and Departmental inquiry and what punishment, if any, was accorded to the Shop Foreman and five mistries, accused of stealing?

(c) Did any of the witnesses say that this motor lorry was going to the bungalow of Mr. Louise, the Shop Foreman accused under his orders?

(d) Is it a fact that as stated in the evidence of Deputy Superintendent, North Western Railway Printing Press, the accused in the Dussera bomb case are the same employees of the North Western Railway workshop who gave evidence against the Shop Foreman, the accused in this theft case?

Mr. A. A. L. Parsons: Government have seen the paragraph mentioned by the Honourable Member, but have no other information with regard to this incident. I am ascertaining the facts from the Agent of the North Western Railway, and, on hearing from him, will send the Honourable Member a reply to his question.

APPOINTMENT OF SUPERINTENDENT, TIMBER DEPOTS, NORTH WESTERN RAILWAY.

613. ***Maulvi Badi-uz-Zaman:** (a) Will Government be pleased to state the reasons which led to the creation of an additional post of Superintendent, Timber Depots on the North Western Railway?

(b) Is it a fact that there are only four Muslim clerks out of a total of 30 in the office of the Track Supply Officer, North Western Railway and that some Muslim clerks were appointed in the lowest class last year and their services have been dispensed with after some months' engagement? If so, on what grounds?

(c) Have any complaints been received that the treatment of the Superintendent, Timber Depots, North Western Railway, is not good towards the staff serving under him?

Mr. A. A. L. Parsons: (a) I have called for information from the Agent, North Western Railway, and will communicate with the Honourable Member on its receipt.

(b) Government have not got information about individual offices, but the Agent of the North Western Railway is very well aware of the policy of Government with regard to communal representation, and I will send him a copy of the Honourable Member's question.

(c) Government have received no such complaints; but the Honourable Member's question will be brought to the notice of the Agent, North Western Railway.

PERMANENT WAY MATERIAL PURCHASED ON THE NORTH WESTERN RAILWAY.

614. *Maulvi Badi-uz-Zaman: Will Government be pleased to state if there has been a heavy purchase by the North Western Railway Track Supply Officer much above requirements of the distance pieces (an item of permanent way material)? If so, why? At what rate was it purchased and at what rate has it been brought back to the books after being classed as surplus? What amount has been written off on this account?

Mr. A. A. L. Parsons: (a) These distance pieces were purchased in 1926 according to the programme of requirements, but subsequently, better types of cast iron plate sleepers have been evolved and have rendered the remaining stock of these fittings obsolete. It paid to adopt the new type of cast iron plate which was cheaper even though the distance pieces were rendered obsolete by doing so.

(b) This material was purchased in different instalments. The average purchase rate was approximately three annas each.

(c) They have not been classed as surplus.

They are obsolete now and have to be disposed of for what they can fetch.

(d) No amount has yet been written off on this account as this will depend on the sale price.

ALLEGED IRREGULAR PAYMENTS MADE TO THE UNLOADING CONTRACTOR AT SHAKUR BASTI ON THE NORTH WESTERN RAILWAY.

615. *Maulvi Badi-uz-Zaman: Is it a fact that some undue items were paid to the loading and unloading contractor at Shakur Basti recently by the Track Supply authorities of the North Western Railway? If so, what disciplinary action was taken against the party in fault?

Mr. A. A. L. Parsons: No such case has been reported to the Railway Board. I am asking the Agent, North Western Railway, for information and will communicate with the Honourable Member later.

STAFF AND WORK IN CERTAIN AUDIT OFFICES ON THE NORTH WESTERN RAILWAY.

616. *Maulvi Badi-uz-Zaman: Will Government be pleased to state:-

- (a) the total number of Class I and Class II clerks in the Office of the Chief Auditor, North Western Railway and what criterion has been prescribed for clerks for promotion from the lower class to the upper class;
- (b) the difference in the nature of work performed in the Statutory Audit Offices and Government Examiners of Accounts on the Company-managed railways.
- (c) when the system of daily diary was instituted in the Office of the Chief Auditor, North Western Railway, and what led to the introduction of this on this particular railway; and
- (d) if it is a fact that no such system of daily progress report is in force on other railways?

The Honourable Sir George Schuster: Information is being obtained and a reply will be sent to the Honourable Member as soon as possible.

PARTICIPATION OF EMPLOYEES OF THE RAILWAY CLEARING ACCOUNTS OFFICE IN AN ANTI-GOVERNMENT DEMONSTRATION.

617. *Maulvi Badi-uz-Zaman: (a) Is it a fact that some employees of the Railway Clearing Accounts Office participated in the demonstration on Mr. Gandhi's arrest in June, 1930?

(b) If the reply to part (a) is in the affirmative, will Government be pleased to state:

- (i) how many clerks of the said office joined that demonstration, and how many of them were injured as a result of a *lathi* charge by the police; and
- (ii) how many of them were admitted in the hospital?
- (c) Is it a fact that they carried a separate flag with the name of their office on it and were shouting along with other slogans "Rai Bahadur Fakir Chand ki jai"?
- (d) Did Government receive any report on the aforesaid allegations? If so, what action was taken on it?
- (e) What departmental action, if any, was taken against the accused?

Mr. A. A. L. Parsons: (a) No.

(b) Does not arise.

(c) No.

(d) The attention of the Director, Railway Clearing Accounts Office, was drawn to a rumour in this connection by the police. But on investigation it was discovered to have no foundation

(e) Does not arise.

Mr. K. Ahmed: What step have the Government taken with regard to the allegation made in that paper which is a false one?

Mr. A. A. L. Parsons: The Honourable Member will get his reply when I reply to the next question.

**ATTENDANCE OF EMPLOYEES OF THE RAILWAY CLEARING ACCOUNTS OFFICE
AT LECTURES AND MEETINGS ARRANGED BY THE CONGRESS.**

618. ***Maulvi Badi-uz-Zaman:** Did the Superintendent of Police (C. I. D.), Delhi, draw the attention of the head of the Railway Clearing Accounts Office to the fact that the clerks of his office and their families were attending the lectures and meetings arranged by the Congress? If so, what action, if any, was taken by the head of the Railway Clearing Accounts Office, on the report?

Mr. A. A. L. Parsons: The police report received in this connection was jointly investigated by a police officer and the Director, Railway Clearing Accounts Office, who both came to the conclusion that there was no proof to support the allegations, and consequently no ground for any further action.

Mr. B. Das: May I inquire if it is the opinion of the Honourable Member that if members of the families of Government servants attend Congress functions, they are to be penalized?

Mr. A. A. L. Parsons: Fortunately, Sir, I have not had to form any opinion.

Mr. B. Das: May I inquire what is the opinion of the Government of India; whether they in any way hold families of Government servants liable for being penalized if they take part in public movements?

Dr. A. Suhrawardy: Sir, is it in order to ask a question inviting an expression of opinion?

Mr. President: No.

Mr. B. Das: Then why do we ask questions here?

Mr. President: The Honourable Member cannot ask for opinions. He can ask whether any information which he may have received is true. It is really a question of knowing how to frame your questions.

Mr. B. Das: May I inquire from the Honourable the Leader of the House, if in any instance Government have penalized the families of Government servants when they have taken part in public movements?

Mr. President: A question has been put.

The Honourable Sir James Grerar: I think, Sir, that question might more appropriately be addressed to me. The answer is that if the persons referred to by the Honourable Member have not committed an offence against the law, they will not be penalized; if they have, they will run that risk. (Applause.)

Mr. B. Das: May I further ask the Honourable Member if Government servants can be penalized for the conduct of their family members if the latter take part in public movements?

The Honourable Sir James Grerar: I think the reply I have already given covers the Honourable Member's supplementary question.

ELECTION OF MEMBERS TO THE COURT OF THE UNIVERSITY OF DELHI.

Mr. President: I have to inform the Assembly that the following Members have been elected to the Court of the University of Delhi, namely

1. Mr. Amar Nath Dutt.
 2. Mr. Muhammad Yamin Khan.
 3. Mian Muhammad Shah Nawaz, and
 4. Pandit Satyendranath Sen. (Applause.)
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THE RAILWAY BUDGET—GENERAL DISCUSSION.

Mr. President: The Assembly will now take up the general discussion on the Railway Budget. I hope that every Honourable Member taking part in the discussion will try to conclude his observations within 20 minutes.

Mr. C. S. Ranga Iyer (Rohilkund and Kumaon Divisions: Non-Muhammadan Rural): Sir, I do not rise to congratulate, as is the custom on these important occasions, the Honourable the—as he has been described in the Budget speech—"Railway Member"; and my reason for not rising to congratulate him is his enunciation more or less on the lines of a late lamented Secretary of State for India, the late Lord Morley, who was responsible for introducing, so far as my knowledge goes, the rather vicious system of representation in a communal manner in the Legislatures of the land. Sir, I have never been a communalist; and it has been my misfortune to have had to fight the Hindu Mahasabha out in the country, even, as I said the other day, when the tide was against us; and I think it is my misfortune here today to fight the policy which the Honourable the Railway Member has thought fit to announce to this House. That policy, Sir, is contained in these words: "One is the representation of Muslims in the railway service."

I do not go further into that; that one sentence is sufficient for my purpose. Sir, I do not agree to the representation of the Mussalmans in any particular service any more than I agree to the representation, as such, of the Anglo-Indians, the depressed classes, the Jains, the Jews and other minorities in the country. Sir, I would rather adopt in this particular matter the policy that is prevalent in all civilized countries of the world, including the country from which the Honourable the Leader of this House comes, even though owing to his long stay in this country he appears to have become a convert to communalism.

Sir Hugh Cocke (Bombay: European): That has been forced on him.

Mr. B. Das (Orissa Division: Non-Muhammadan): Does the Honourable the Leader of the House come from Scotland or England?

Mr. C. S. Ranga Iyer: My friend, Mr. B. Das, wants to know whether he comes from Scotland or England. But if he reads Dean Inge's book on "England", he will find that Scotland, England and, for the matter of that, Ireland are, so far as India is concerned, one. But, Sir, neither the English nor the Scottish spirit prevails, so far as this particular thing is concerned.

Mr. K. Ahmed (Rajshahi Division: Muhammadan Rural): But what about the Oriya language?

Mr. O. S. Ranga Iyer: Mr. K. Ahmed will have it out with Mr. B. Das, but as Mr. President has stated that the time is limited, I want that he should extend to me the same courtesy which I propose to extend to him and to every other Member of this House, because it is extremely unfair that by his interruptions I should be deprived of the opportunity of developing my arguments. But I say that so far as the Oriya question is concerned, it is a matter for the Oriya people and their neighbours in Calcutta. Now, Sir, I would like to develop my argument. I believe in what we have been told by the British Government in Great Britain and only lately by the British Government in this country—efficiency. The moment you say that representation in the railway services is to be based on communalism, be it Hinduism, Muhammadanism, Judaism or any kind of “ism” including the “ism” of the depressed classes, then you also make up your mind that the services in future should not be so very efficient as they have been in the past. Sir, this is a matter in which I very much feel like using very strong language, because you cannot condemn it in too strong a language. The strongest language that you are capable of will not represent the mischief that this mischievous system is going to introduce for the future generations of this country. Sir, 150 years ago when the British Government came into this country, even a hundred years ago, they did not propound this policy, and now when they are beginning to pack off from this country, now that they are preparing to go away bag and baggage, now that the declaration has gone forth about Dominion Status and the development of Dominion Status institutions in this country, and now that great conversations in that direction are in a most extraordinary and unexpected but in an exceedingly interesting and hopeful manner developing in the neighbourhood of this House, Government are trying to leave behind them a legacy of utter mischief and utter disaster for this country. Sir, I consider that this attitude of the Honourable the Railway Member is what he prophesied the other day, something in the nature of a boomerang recoiling from this side to the other side. I never thought that this boomerang was going to be hurled by the Honourable the Railway Member not only against us but against generations unborn by introducing the mischievous system, the vicious system, the pernicious system, of communal representation in the services. Sir, far be it from me to condemn Muhammadan rights; far be it from me to condemn the rights of the depressed classes. Sir, I say the Railway Member is not honest in this policy. I do not want to say that he is dishonest, but he is not honest in his generosity. We know that he is a very honest gentleman, but I am considering the policy and the policy is not honest in its generosity, because he concedes it only to the Muhammadans.

Mr. K. Ahmed: Is not monopoly a dishonesty?

Mr. O. S. Ranga Iyer: If you concede it to the Muhammadans—by all means concede it to them because you have made up your minds that there will be communal representation—why not concede it to the depressed classes? The bureaucracy in this country has ever been imitating the wily crocodile whenever the case of the depressed classes is taken up.

[Mr. C. S. Ranga Iyer.]

Why do you not concede it to the other minorities in this country? Are there not other minorities in this country? Why should there be an inquiry only about Muhammadans? Why should no inquiry be made about the Anglo-Indians to see how far they dominate in the railways in proportion to their population? If you want to carry on the absurdity of this communal representation, face it out and carry it to its logical conclusion. The Honourable the Railway Member has introduced a most vicious system—I am against any communal representation of any kind whatever—but if he were honest about the business, he should have faced the issue and carried it out to its logical conclusion. He is laying down a principle which is certainly going to recoil not only upon us, but upon generations unborn like a boomerang which he prognosticated on a much simpler issue the other day. I should like to know whether the Government of India are going to lay down a policy of communalising the services in the future. If you are going to communalise the services in future, you are going to strike at the root of efficiency. I do not think that a single honest Muhammadan, or a single honest Hindu, or a single honest member of the depressed classes will agree with this policy.

Dr. A. Suhrawardy (Burdwan and Presidency Divisions: Muhammadan Rural): What about the policy of Indianisation, which strikes at the root of efficiency?

Mr. C. S. Ranga Iyer: The policy of Indianisation if it strikes at the root of efficiency is a matter which the Honourable gentleman who interrupted me should have developed in his own extraordinary document connected with the Central Committee's Report. I am now concerned with the policy of communalisation; I am not concerned with the policy of nationalisation. If he is opposed to the policy of nationalisation, he is entitled to go and vote with those who are opposed to that policy. But I am opposed to the policy of communalisation, and communalisation is the policy which the Government of India, for reasons best known to themselves, are inaugurating in this country today. Sir, the Honourable the Railway Member should not have rushed, but should have waited. He has got more faces than one. We know him today as the Railway Member; we know him at the interpellation time as the Commerce Member, and we know him at the political debate as the Leader of the House. He has three faces; he is the *Brahma*, *Vishnu* and *Shiva* of this House. (Laughter.) And now we find that he has a fourth face, the communal face. Sir, it is a most mischievous thing. Communal representation in the constitution of the Legislatures was the limit beyond which even advanced Muhammadan nationalists were not prepared to go; but the Honourable the Railway Member has made up his mind to destroy the services of the future by striking at the root of efficiency and sowing the seed of mischief. I think it is utterly mischievous that the Railway Member should arrogate to himself the function of laying down a policy like this for India's future administrators. It is a vicious policy; it is a wicked policy; it is a dangerous policy; it is a poisonous policy and it is a policy which is going to recoil on the heads of generations unborn.

Mr. K. Ahmed: What logic is there in getting hold of that idea?

Mr. C. S. Ranga Iyer: You may catch hold of the magic that is in your brain and you may develop your argument in your magical way. (Laughter.)

Mr. President: Order, order. The Honourable Member should address the Chair.

Mr. C. S. Ranga Iyer: Sir, the Honourable Member asked me what logic there was in that idea and I was telling him that he could make use of the magic that was in his brain and develop his argument as a magician.

Then, Sir, I come to the other aspect of the Railway Budget, and that I admit is a shining feature of this Budget, because the Honourable the Railway Member, as we are asked to call him, says:

"A ten per cent. cut in salaries applicable only to the gazetted and upper subordinate establishments would yield therefore a sum substantially less than Rs. 1 crore a year." *etc., etc.*

Therefore the very idea that the Railway Member has been contemplating a cut from the upper subordinate services upward is interesting. Sir, about seven years ago, in this Assembly I developed the argument and I gave facts and figures to show how these railway services are more highly paid than any services in any other part of the world. At that time my Honourable friend, Sir Clement Hindley, was not inclined to agree with me. I am very pleased that the Honourable the Railway Member has considered it in these terrible times, rather gloomy times, through which we are passing; and therefore the Railway Member has shown that he is capable of taking up an attitude of self-abnegation, an attitude of generosity and an attitude of self-sacrifice. It will begin with the upper subordinates and fall on the highly paid, which is retrenchment at the top. And I think he has done a very good thing and thought of initiating a very good policy and setting a very good example that the larger the salary the greater must be the sacrifice. That is a policy for which I think generations unborn will gratefully remember the Honourable the Railway Member, for we have always been talking not only of Indianisation but also of economy.

The Honourable Sir George Rainy (Member for Commerce and Railways): Sir, if the Honourable Member will forgive me, perhaps he will refer me to the particular part of my speech where he finds that.

Mr. C. S. Ranga Iyer: I thought the Railway Member was seriously considering a ten per cent. cut in salaries applicable only to gazetted and upper subordinate establishments as yielding a sum of one crore a year when he said:

"It will be obvious from these figures that if a really substantial saving in expenditure is to be effected, the reduction will have to go right down the scale excluding only the lowest paid establishments."

Therefore I believed, Sir, that he was contemplating a cut in regard to those who are getting a higher salary and not the lowest paid establishments, as he has showed a good deal of sympathy with regard to the lowest paid establishments in paragraph 19 and partly in paragraph 20 of his Budget speech. I do not want to read them to the Honourable the Commerce and Railway Member and waste my own time and his. But I see that he is rather hesitating to go down in history as the inaugurator of a new policy of economy. Whether he hesitates or not, I would

[Mr. C. S. Ranga Iyer.]

suggest to him that a little more than 10 per cent. sacrifice should be introduced in regard to the higher services, 5 per cent. from Rs. 100 to 500, 10 per cent. from Rs. 500 to 1,000, 15 per cent. from Rs. 1,000 to 1,500, 20 per cent. from Rs. 1,500 to 2,000, 25 per cent. from Rs. 2,000 to 3,000 and 30 per cent. above that. (Applause.) This will not be found to be a great sacrifice.

The Honourable Sir George Rainy: May I ask the Honourable Member what percentage he would apply to the Railway Member?

Mr. C. S. Ranga Iyer: I am not anxious to apply any percentage to the Railway Member as he is the most overworked man in this House. He has got a triple personality as the Leader of the House and also as the Commerce Member and the Railway Member and I always believed "every labourer is worthy of his hire". (Laughter.) Therefore I will put no cut upon him, especially as he has thought of cutting the salary from the upper subordinates upwards and introducing thereby a policy of economy in the future. I would on the other hand put it to the Honourable the Railway Member to supply to this House abundant information as regards the comparative scale of salary of men similarly situated, that is to say, officers on the Railways in other parts of the world. It is within the province of the Railway Board to collect this information and I will ask him to place this information before this House.

Mr. C. C. Biswas (Calcutta: Non-Muhammadan Urban): What is the highest salary of the upper subordinate staff?

Mr. C. S. Ranga Iyer: The Honourable Member will find it in the Budget papers. It is comparatively high.

Mr. C. C. Biswas: It is not so high as you imagine.

Mr. C. S. Ranga Iyer: It may not be as high as I "imagine", but it is as high as is recorded in these papers, because in the Budget papers we do not go by imagination, and if I were to read the figures of all the higher salaries given in these papers it would take up much of my time and therefore the Honourable Member should find them out for himself. But in the meantime I will go on with my argument,* and that is this, that if the Honourable Member were to supply facts and figures in regard to the salary of the upper subordinates in the railways as well as higher officers in the railways, he will find that especially in regard to the higher officers in the railways the salaries are much too high. . . .

Mr. C. C. Biswas: The higher officers are left untouched.

Mr. C. S. Ranga Iyer: I agree with my Honourable friend. He is perfectly right when he says that the higher officers are left untouched, and the economy should begin at the top, and I ask the Honourable the Railway Member to set an example by beginning the retrenchment at the top and then coming from the top to the bottom. It is one of the most heavily paid services in the world—this railway service. Now, Sir, I do not know how many minutes I have got.

Mr. President: Five or six minutes.

Mr. O. S. Ranga Iyer: I am glad, because I do not want to set a bad example by going beyond my time. I want to bring before the Honourable the Railway Member one of the promises that he had made in the past, but which he had not fulfilled completely. The promise was in regard to the Railway school in my own constituency, the Victoria Railway Middle School at Bareilly. The Honourable Sir George Rainy, speaking on the Railway Budget on the 21st February, 1929, said:

"It is our intention that, without waiting for the transfer of the schools, the pay of the existing teachers in the railway schools should be raised to the level prevailing in the province in which the school is situated. As regards the higher English schools maintained by the East Indian Railway, we have already issued specific orders to that effect."

Sir, I admit that the Honourable the Railway Member—who is never quick to make a promise but is quick to perform it—has in this performance partially fulfilled his promise and partly left it unfulfilled. In regard to high schools he has justly raised their level to that of the Government schools but he has not done so in regard to the middle schools. I give him the specific example of the Bareilly Railway Victoria Middle School, the teachers of which do not get the same pay as the teachers of the Provincial Government Middle Schools and this was a matter which was brought to his notice by Sir Purshotamdas Thakurdas who was a very valuable contributor to the Budget discussion and also by Pandit Hirday Nath Kunzru, who belongs to a society which has been doing good work alike in regard to railway and other servicemen and the amelioration of the condition of the labour people generally. Sir, the Honourable the Railway Member then made this promise and I want him to look into this matter. With these few words, I close my speech.

Mr. Muhammad Anwar-ul-Azim (Chittagong Division: Muhammadan Rural): Mr. President, I am indeed not placed in a very happy position to follow immediately the whirlwind speech of the Deputy Leader of the Nationalist Party. For, it seems to me, Sir, that by trying to impress his point for the consideration of the Members of this Assembly, he forgot many things for which we give him credit sometimes. I am not here to reply to what Mr. Ranga Iyer has said, with regard to what the Honourable the Railway Member has said at the concluding part of his speech at the time of presenting the Budget. I will not also emulate his example of criticising any matter on which I have not got first-hand information or on a matter about which I could not call myself an expert. This one day has been allotted only for criticising the general aspect of the Railway Budget as a whole, as it is presented to the House and also incidentally for suggesting one or two matters which might occur to the individual Members of the Assembly in passing. On the whole reviewing the speech of the Honourable the Railway Member, one finds that the situation in which the Railway Department has been placed is not a very happy one. For, the Honourable Member himself has told us, Sir, that on account of the many reasons over which the Government of India had no control, there is likely to be a deficit of 5½ crores, and that will have to be met from various sources that he has mentioned in the body of his speech. I am sure, Sir, it will not be right on my part to suggest that the Railway Member or his colleagues on the Railway Board have not taken all aspects together and that they have not come to the decision to which they have come regarding the Budget figures. But still one or two matters which might be touched upon in this connection are these. The Honourable the

[Mr. Muhammad Anwar-ul-Azim.]

Railway Member has said that this decrease in the income of the railways from the traffic side had many reasons. I am sure, Sir, there will not be anybody in this House, not even Mr. Ranga Iyer, who can deny that the disorderly movement which was started in the beginning of the financial year had a great say in making the income of the railways small. The boycott of foreign imports also to my mind had the same effect on the earnings of the railways. The Honourable the Railway Member has suggested some methods by which it may be possible to tide over the difficulty. I am sure there is a great force in the logic of his argument when he says that, starting at places, minor places, which are often overlooked by the Administration, and through which wastages are allowed to grow, if precautions of that kind are taken, railways in the long run might be able to make some savings. I can assure you, Sir, that that is a matter which should have attracted the attention of the railway authorities years and years ago. As a layman, I should have thought that, before expanding their business, they should have thought of making these economies years hence; but anyway when they have themselves taken that into their head, I hope and trust they will be able to get good results. I remember, Sir, that we were entertained to many interesting sorts of debates on the Railway Budget last year, and one was from Sir Purshotamdas Thakurdas who, during the discussion on the Railway Budget, said that the Railway Department generally did not care much for giving facilities to the carriage of agricultural products from place to place. As regards that complaint, the Railway Member has in his Budget speech this year tried to show how far it is possible under the existing circumstances to grant facilities for the carriage of agricultural products and how far in the long run they are likely to fetch income to the Railway Board. Last year Sir Purshotamdas Thakurdas was complaining that, while the grant of cheap facilities for carriage of coal from the coalfields had brought money into the coffers of the Railway Department, the same principle had not been extended to other products, and he was very solicitous for the agricultural produce of the country. This year the Honourable the Railway Member has tried to show how far, under the existing circumstances, it will be profitable if such things as cotton and oil seeds get the same concessions as coal had last year and how far they would bring money to the Railway Department.

Some time has also been devoted in this Budget speech to the amenities provided for third class passengers and the feasibility of raising railway fares. I am not an expert in figures; but it appears to me that, unless something very material occurs in the way of a change of heart of people like Mr. C. S. Ranga Iyer and others of his class on that side of the House, nothing very rosy is likely to come. I have had the privilege of listening to the Budget speech of the Honourable the Railway Members for the fifth time, and though every year they have tried to be solicitous for the welfare of the third class passengers—and we give them due credit for that—still, it seems to me there are lots of things which still require attention so far as third class passengers are concerned. If anybody has got any idea of a State railway managed by a company in my part of the country, he must have found that even the first and second class passengers have not got the requisite comforts. Here if one travels by the Great Indian Peninsula or East Indian Railways, he finds that in first class compartments the windows are so framed that they let in air from outside and give proper ventilation. But on the Assam Bengal Railway the windows in first class compartments—not to speak of third class compartments—are so made

that, if one wants to keep them closed, it is very difficult to get any air from outside; they have not got any net windows. The discomforts of the third class passengers can more easily be imagined than described; for it is common knowledge that at almost all stations on the railway system of which I am speaking, there are no raised platforms, and women are put to a lot of trouble, especially *purdanashin* ladies who go to stations in *palkis*; they are put to a hundred and one inconveniences. If the Railway Department is solicitous about the comforts of the third class passengers, I would commend these few matters for their consideration.

Again, Sir, coming to the first class railway systems like the East Indian Railway and others, you will have noticed if you have been to Calcutta that the servants' compartments attached to first and second class bogies are called third class compartments; but the servants after all are human beings and have got to comply with the requirements of nature; and except one small opening in the middle of the carriage there is no convenience either for water or other things in a sheltered way. There is a railway engineer listening to our talk, and I daresay he will take note of this, since the servants in these compartments have to travel thousands of miles along with their masters and they require some attention.

At one place in his speech, the Honourable the Railway Member has said that it may perhaps be necessary in order to find revenues for his part of the Government of India, that the railway fares might have to be raised. I know the Assam Bengal Railway charges about four or five times as much as the fares prevailing on other company-managed railways. For a distance of 350 miles from my station to Calcutta I pay Rs. 60, whereas from Howrah to Delhi, a distance of about 940 miles, I do not think I pay more than Rs. 60. And if in the parts where agricultural people mostly live, the third class fares are raised, I do not think it will bring in any money, let alone making any profit in that direction.

I shall only refer to one or two more matters and I shall finish. If the Railway Administrations are solicitous of taking the public into their confidence, and if they feel that there is justification for the clamourings of Members here for taking them into their confidence, I think that is only possible through the Central Advisory Council for Railways and also through the Public Accounts Committee. I have a little knowledge of the Railway Finance Committee as well and the way that things are done there reflects great credit on the Financial Commissioner who presides over its deliberations, because I know that all sorts of inquiries are made and answered, and in this my friend, Mr. D. K. Lahiri Chaudhury, will bear me out when I say how patiently Mr. Parsons tries to meet our inquisitiveness, if I may so put it, in the way of gathering information.

As regards the Central Advisory Council, in the Report of the Railway Board they have said—if one goes as far back as 1921—that this was started as a result of the Report of the Acworth Committee. But on a perusal of its recommendations, one would find that Government have not been able to meet squarely all the recommendations of that Committee, but still I think from the evidence on record it will appear that Government from time to time have tried to take counsel with this Committee and that with good results. If that is a fact, Sir, then on the score of framing the general policy of the Government with regard to expansion and creating new lines, Honourable Members in this House will not have much reason to complain.

12 Noon.

[Mr. Muhammad Anwar-ul-Azim.]

Lastly, Sir, of course I shall get a chance of speaking again on some of these points more elaborately when cut motions are made, but at this stage I should like to point out that during the general discussion of the Budget last year, even his great Guru, at whose feet my friend Mr. Ranga Iyer sits every day if he happens to be in Benares, gave us this benediction—I mean the Vice-Chancellor of the Benares Hindu University. This is what he said: “I think we shall have to rise a little over our present ideas with regard to those . . .”.

Mr. C. S. Ranga Iyer: I do not want to interrupt the Honourable gentleman, but as he has made a satirical reference to a Guru, I may assure him that I do not believe in any Gurus either in politics or in religion, nor do I believe the Pandit poses as a Guru.

Mr. Muhammad Anwar-ul-Azim: In any case, Pandit Madan Mohan Malaviya is the next man after Mahatma Gandhi in this country (*Mr. Ranga Iyer:* “Hear, hear.”), and this is what Pandit Malaviya said last year:

“We shall have to rise a little over our present ideas in regard to these questions of recruitment for the public services, and I hope that the time is not far distant when we should be able to discuss such questions without imputing motives and without saying things which might unnecessarily cause friction.”

“I do think that the figures which have been quoted disclose that there is a great deal more to be done, and which should have been done by this time for the Moslems.”

This is what Pandit Malaviya was pleased to say last year in the general discussion of the Budget on the floor of this House. In view of this, I do not think that the Honourable the Leader of the House has committed any crime in mentioning that the representation of our people will receive some consideration at the hands of Government.

Mr. K. Ahmed: Mr. Ranga Iyer must disabuse his mind.

Mr. Muhammad Anwar-ul-Azim: That being the case, Sir, Mr. Ranga Iyer can rest assured that, though really we form a minority in this House, we are not communalists; none of us are communalists absolutely.

Mr. K. Ahmed: It comes from the other side.

Mr. Muhammad Anwar-ul-Azim: It is always very easy to play to the gallery; it is absolutely easy to play to the gallery

Mr. C. S. Ranga Iyer: I did not accuse the Honourable gentleman or any Member of this House of being communal. What I stated was that the Honourable the Railway Member was inaugurating a communal policy.

Mr. Muhammad Anwar-ul-Azim: In any case, things are there; Honourable Members will be able to decide what to say and what not to say. But as I said, though we form a minority here—and that is our handicap—we have from time to time tried our best to bring to the serious consideration of the Government our position, and if the Honourable the Railway Member has said that he will supply us with a memorandum, I do not think he has committed any serious crime. In this connection I would like to add only one word. It will be in the recollection of some

of the older Members like my friend Mr. K. Ahmed, that on the 10th of March 1923, a Resolution was moved in this Assembly by Mr. K. Muppil Nair, and that was accepted by Sir Malcolm Hailey on behalf of Government. Later on Sir Deva Prasad Sarvadhikari, who, I should say, is a pet of Government, finding perhaps that the undertaking given by Government was out of proportion to his mind, moved an amended Resolution, and that was also accepted by Government. The Resolution which Sir Deva Prasad Sarvadhikari moved ran thus:

"That this Assembly recommends to the Governor General in Council that in making new recruitment to the services under the control of the Central Government, steps should be taken to secure that services are not unduly overweighed with either representatives of any one community or province and that as far as possible claims of all provinces and communities are considered."

This was accepted in 1923, in the first Assembly. It was a very representative House. We had the privilege of having there Sir Hari Singh Gour and several other brilliant men, and they agreed to this amended Resolution. Since then Government have been following some policy by which effect could be given to this Resolution

Mr. President: The Honourable Member has exceeded his time.

Mr. Muhammad Anwar-ul-Azim: If that is so, Sir, then I do not think that Government have committed any serious crime, nor can they be accused of having introduced any communal sentiment.

Lastly, Sir, my friend Mr. Ranga Iyer seems to think that, by carrying out the Government policy of giving a due and proper share to the communities on a communal basis in the administration of the country, efficiency will go. But what I say to him is this, that efficiency is not the monopoly of any particular community. Efficiency, I say again most strongly, is not the monopoly of any caste or creed. Efficiency grows as a result of education, and cultured environment, and efficiency, of course, is a thing which, to my mind, is not the monopoly of the people of the class to which Mr. Ranga Iyer belongs.

Mr. C. S. Ranga Iyer: Then go by efficiency, and not communal representation.

Mr. Muhammad Anwar-ul-Azim: And if the so-called efficiency of which he talks so much is likely to do more harm than good, and to such an efficiency as is propounded by Mr. Ranga Iyer I feel everybody should say good bye.

If the mere mentioning of the recognition of the just claims of the Moslems creates such a heart burning, one can easily imagine what will happen when the power of administration comes to Mr. Ranga's class, from the British. This should be an eye-opener to those Moslems who are the camp followers of the Congress.

Dr. Ziauddin Ahmad (United Provinces Southern Divisions: Muhammadan Rural): Sir, I heard with very great concern the speech of the Honourable Member for Commerce and Railways in which he drew a very gloomy picture of the financial position of the Railway Department. This Department has been running at a loss. He showed in his speech that in 1929-30 there was a deficit of 2.08 crores, and in the current year 1930-31, it was estimated last year that there would be a saving of

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one-third crore, but instead of having a saving, we had a loss of 10.85 crores. And now in the Budget before us it is pointed out that the probable deficit will be 4.14 crores. This is the estimate in the Budget, and if we follow the way in which the expenditure was incurred last year, it is likely that this amount will go up still further. The net result of the deficits of the last two years is that our Reserve Fund which had accumulated on account of the saving in previous years has gone down from 18.4 crores to about 5½ crores, and this result cannot keep us going for many years to come, and unless we take some drastic steps, our whole Railway Department will be before the court of bankruptcy. Before I consider the drastic steps, I should like to draw the attention of the House to a particular point. In the last year's Budget the value of all the non-votable items put together was Rs. 57.85 lakhs, whereas this year the amount which is not votable is Rs. 128.25 lakhs; that is, the amount of non-votable items has been more than doubled.

The Honourable the Commerce Member suggested three methods for meeting the present situation, and I should like to add a few more to them. His first method was to increase the railway fare; the second was a reduction in the staff; and the third was a diminution of salaries. I would like to add, the revision of our convention, better control over capital expenditure, and better investment of our Depreciation and Reserve Funds. I shall take up these questions in turn.

As to the question of increase in fares, the Honourable the Commerce Member himself has stated that it is not practicable, that if we increase the third class railway fare there will be undue competition with bus services, and I am afraid the actual railway earning will go down. Therefore, an increase in fares will not lead to an increase in the general revenue of the railways, but it may lead to a diminution. The second important point was about the tariff rates. Here, again, any increase in the tariffs will be suicidal. If we want to increase our income by means of the tariff, it is absolutely essential that we should reduce the freights on agricultural products. At the present moment the agricultural products are lying idle in the places where they are produced, and if the Honourable the Commerce Member will kindly see his way to reducing these freights, it is quite possible that the wheat which is now lying idle may move about, and it will not only be a source of income to the railways, but it will give very great relief to the agriculturists. I do not mean that he should reduce the tariff to a figure where it may be a dead loss to the Railway Department, but it should certainly be reduced to the very minimum profit.

The next point was about the diminution of the staff. It is the usual practice that, whenever we talk of retrenchment, we always cut down the persons at the bottom and begin with chaprassis. This is a wrong practice, and this is the point which Mr. Russell had in mind when he told the Public Accounts Committee that the Railway Board was in itself a retrenchment committee and no new committee was needed. What we require most is to cut the expenditure on some of the posts at the top. If by chance we succeed in cutting down the top posts, the bottom services will look after themselves. I do not like to discuss the details of this, but I would just point out where retrenchment should begin.

will deal with these things in detail next week when we have Demands for Grants. In the first place, I would like to reduce the number of the Members of the Railway Board from 5 to 4. I think these are an unnecessary burden, and instead of doing useful work, they themselves increase the work by writing superfluous notes on Reports which they themselves invite in order to justify their existence. The second thing which I should like to cut down is the Standardisation Office, which costs about Rs. 3½ lakhs. I do not want to discuss these questions now, but I think the whole expenditure on this office is unjustifiable, and that it is not necessary to have a Department of this kind. The next Department which I should like to dispense with altogether is the Publicity Department. We do not want any publicity here in India; everybody knows what a railway line is. The Railway Board maintain this Publicity Department for the benefit of the American and European tourists, and I should like the Board to give some mathematical figures as to what is the amount of money that is spent on advertisement and what is the net profit from the tourist traffic in this country. Please include also the cost which you incur in building special coaches for them. I should like to have definite figures, but my view is that that your Publicity Department, instead of being a source of income, is working at a loss to the Railway Board. If it be necessary to supply information, it can be given at nominal cost by granting some subsidy to any agent in New York and other places. Send them your time tables and other literature and they will give the necessary information to the tourists. The next thing I should like to dispense with altogether is the Department of Senior Government Inspectorate. This is a Department which was created with the object that they go round on each line and just see that everything is all right. Their certificates are given as a matter of course, and I should like to find out from the Honourable Member in charge whether the certificate was withheld in any case whatsoever. We had the scandal of the Bengal Nagpur Railway; everyone is familiar with it and I will discuss it when the time comes. But I may say that this Inspectorate never made any particular report till it was spotted by the Auditor General. They justify their existence in order to go about in special carriages and draw good salaries. This is a Department which we would like to curtail considerably. Then, in the Budget before us, which is a deficit Budget, we find that 25 special officers have been provided in Demand No. 11 which we shall never be able to discuss and which will be carried by our rule of guillotine. These officers are created not because they are required but because a certain person has to be provided for. ("Hear, hear" from Nationalist Benches.) For example, if an Assistant Director is appointed to officiate as a Director, when the original person comes back, the officiating person does not revert to his permanent post, but he is put on special duty, which always carries more pay than he got when he was put on the officiating job. I can give you instance after instance of this thing.

Mr. C. C. Biswas: And there is a special officer to revise the work of special officers. (Laughter.)

Dr. Ziauddin Ahmad: This is the 28th officer. Then, I should like to cut off the very highly paid staff in the Railway Board. Any one who examines this thing will find that most of the work is limited to passing files from one room to another, and back again. The reason for that is that they have too many officers and they must justify their existence by

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sitting down in the office and looking into papers while the whole thing remains in the office itself. We require a diminution of the staff. We conveniently cut down the posts of Controller of Railway Accounts and the Director of Finance.

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The third point which the Honourable the Commerce Member suggested was the cutting down of salaries. I entirely agree with him that this is a point which we should not take up in regard to the railways alone. We ought to take it up in connection with the General Budget and on the occasion of the Finance Bill, because, if any diminution is agreed upon, it should be applied not only to the Railway Department but to all the Services, both Provincial and Central. I lay stress on three fundamental things in connection with this question. One is that in order to make both ends meet, some kind of reduction in salaries is needed. The second thing is, as my Honourable friend Mr. Ranga Iyer pointed out, that this reduction should be on a graduated scale—that it should not be the same percentage throughout. I cannot discuss the exact figures because that requires very careful consideration, but I agree that it should be a graded scale. The third thing is that it must be considered to be a temporary measure because if the prices again go up and resume their normal position, then we revert to the original scales of salaries. There is another way by which you can effect a substantial reduction, as pointed out by my Honourable friend, Mr. Ranga Iyer, and that is, if you take up the Indianisation of the services. I do not propose Indianisation of service from the nationalistic point of view, but from the point of view of economy. Revise the scale of salaries to the Indian standard and employ qualified Indians, then you will find a substantial reduction. Sir, these are the three points which were raised by the Honourable the Finance Member for purposes of reduction. Now, I take up few more points. The first is the control of capital expenditure. There are two kinds of capital expenditure, one is the productive and the other is the non-productive. The opening of new lines is a productive expenditure which will yield some revenue, and the unproductive expenditure is a thing which we should make every effort to avoid. Sir, last year I drew attention to four follies of the Railway Board, that is the Kangra Valley Railway, the Kalyan Power House station, the railway station at Lucknow and the railway station at Cawnpore, and this year I would add a fifth folly to the credit of the Railway Board, and that is the Central B. B. and C. I. Railway station in Bombay. If the Railway Board will simply economise and the Honourable Member for Railways will have the wisdom to stop the follies of the Railway Board, then this deficit in the Budget will disappear. I have drawn attention to five follies and I do not know how many follies they have in store for future years. Attention has been drawn to this type of expenditure from time to time, but I regret that no action has been taken. What is practically needed is that we ought to have on the Railway side a committee corresponding to Public Accounts Committee, which will scrutinise and examine the details of every expenditure. We have got an Advisory Committee, but it only advises on the question of general policy. We ought to have a committee of the type Public Accounts Committee, which will examine every small matter and bring it to our attention.

The next point to which I should like to draw attention is that we want some kind of revision of our Convention. Our Convention is that we give a certain amount of interest, and after paying the interest, we give one per cent. of the total capital which the Government has given to the Railway Board. This payment to the Finance Member is ensured whatever the earnings of the railways may be. In addition to these two items we pay one-fifth of the savings of the Railway Board to the Government of India, and this comes only to about half a crore. So the interest of the Finance Member in the railways is limited to the extent of half a crore, because the other payments are ensured by Convention. Mr. Parsons is supposed to be the Secretary to the Finance Member as far as the railways are concerned. Those persons who have gone into the matter will bear me out that on the General side the Finance Member has got a greater control over his Secretary than he has over his other Secretary who looks after the Railway side. He is at one time supposed to be responsible to the Finance Member, and at another time he is supposed to be responsible to the Member for Railways. In fact, he is responsible to nobody, and he has got powers in the Government of India greater than the powers exercised even by the Viceroy or the Governor General in Council. The other day the Honourable the Education Member wanted a Deputy Secretary. He went to the Finance Committee. The Finance Committee discussed the matter and referred to the Assembly. It was discussed here again. The discussions have not yet ended, but here is one gentleman who creates a post on any salary without anybody knowing anything about it. He simply orders, and the appointment is made. This is a thing which cannot be tolerated in any constitutional form of Government. Here is a person, who like a constitutional monarch, exercises his patronage for some private reasons and appoints any man on any salary he pleases and calls it a special post. I am prepared to go to the witness box in the proof of my statement.

Sir, the next point to which I should like to draw attention is the method of investment of our Depreciation and Reserve Funds. We have on paper a Depreciation Fund of 16½ crores of rupees and it is shown in the Budget that by the end of the next year it will rise to 21½ crores. We have got at present a Reserve Fund of 5½ crores. This will amount to 27 crores. Where is this money? We want money for the purchase of the B. and N. W. Railway. If we require money for any purpose we find it is not there. It exists only in account books. This method of investment requires very careful consideration. Instead of investing the money here and there and distributing it everywhere, we want to use it for some useful purpose. We find that the money exists only in the account books of the Railway Board, but actually the money is not there. Therefore it is very desirable that this money ought to be invested in a bank, preferably in the Central Bank which we hope to establish in the near future. In the absence of a Central Bank the money may be deposited in the Imperial Bank, so that we may know where the money is and we may realise the usual interest out of it.

On the recommendation of the Acworth Committee we have separated the finances of the Railway Department from the General finances. Now, the railways are at present a kind of company organisation and the real shareholders are the taxpayers of India and the Government of India are a kind of managing body. The way in which they are managing it is this. The Finance Department has given a contract to the Railway

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Board saying, "You give us so much money and you can do whatever you please". I challenge this method of administration. We do not want the contract system. We want the Government of India and the Finance Member to take a direct interest in it and discharge their trust given to them by the people of India. If this principle is accepted the Finance Member will take a greater interest in the profit and loss of the railway concern. Now, this is a change which is exceedingly desirable, and this was the intention in the recommendation of Acworth Committee. Now according to the figures given to us, the Railway Department is yielding an income of 4.6 per cent. Now is this a reasonable profit for the Railway Department, when we find that the bank rate of interest is 7 per cent.? Now, if I were a member of the Government of India and I had to invest money in my trust, I would oppose putting money into the Railway Department, which is yielding only an income of 4.6 per cent. I would certainly invest it in a business which may yield a profit of 6 or 7 per cent. In every civilised country the Railway Department is a paying concern. In the Government of India, it is a losing concern, and it is simply on account of the bad way in which the whole thing is administered as a close concern, a private preserve, a place where patronage is given for individual reasons. I will cite as one of many cases the example of the East Indian Railway where the administration at the East Indian Railway Home at Calcutta requires thorough consideration. It is really a preserve of certain persons and their friends and relatives. I am not talking of communalism. I am talking of persons who are controlling the show. The Railway Board is the directorate of the Railway Company; I should like to have a regular balance sheet. I hope that regular balance sheet will be prepared and presented to the Assembly next year. Now this is a thing which was impressed upon the Government last year, but I find that no balance sheet has been prepared at all. I would refuse to consider the Railway Budget without an audited balance sheet.

The next thing I should like to take up is the separation of accounts from audit in the Railway Board. Mr. Hayman, in support of his proposal in 1929, cooked his own figures. (Laughter.) He produced a statement which is a jugglery of figures. The jugglery of figures, Sir, is more deceptive than the sophisticated arguments of the middle ages. Either he himself did not understand the business, or he thought that nobody in the Assembly could understand the figures which he quoted. -

An Honourable Member: He was a high accounts officer himself before.

Dr. Ziauddin Ahmad: He made us believe when he advocated the separation that it would bring in a net income of 8.64 lakhs in the year 1929-30. 4 lakhs in the year 1930-31 and 1.45 lakhs in the current year. Those were the figures which he himself gave us in support of his fantastic proposal. Just the reverse is now our experience. Then, if you will look at Demand No. 4, you will find that, instead of a diminution, there is an increase in the expenditure; and either he made the mistake intentionally by adopting an imaginary lower starting figure for particular classes of posts in the service in order to get a low average salary for these posts. No one was or could be appointed on his starting salary. Thus, for an assistant in the Account Offices instead of Rs. 550, he showed Rs. 350 as

starting salary, in order to work up the average to a lower figure, while in practice there was no such appointment on the lowest pay of the grade. I think the Assembly was certainly cheated when he presented this particular Report on the separation of Accounts from Audit. I ask Mr. Hayman himself whether he would not have sacked a person who cheated him in the manner he cheated the Assembly. He has now created three parallel Departments with a large staff running, parallel to each other, one responsible for accounts, another responsible for audit and a third responsible for finance and budget. Much of the time is wasted in passing files from one room to another. Sir, this staff should be reduced and the posts of Controller of Accounts and Director of Finance be abolished, and I think some further step ought to be taken for giving the right figures to the Assembly.

Mr. President: The Honourable Member has exceeded his time.

Dr. Ziauddin Ahmad: I will just take up in conclusion one question. I was rather surprised at the speech of my Honourable friend, Mr. Ranga Iyer. I thought he was a nationalist, but today he proved to be a communalist. Sir, it is not a person of a minority community only who can boast of being a communalist; he has shown that a person belonging to the majority community can be a communalist of the worst type. But we must moreover remember that when a member of a majority community proves to be a communalist, it is disastrous to the country.

Mr. B. Das: Sir, I was not present when the Honourable the Railway Member delivered his speech on the Railway Budget, but I have had an opportunity to read his speech and have paid it my best attention. I found, Sir, there is no small amount of diffidence in the speech of the Honourable Member. It was halting and lacks foresight and decision. The Honourable the Railway Member was all the time working against his conscience, against the conscience of the Government of India, and was trying to present a deficit Budget in the best way he could, not in the interests of the Government of India but in the interests of those who control the Railway Board, and was trying to bolster up a case that could not be justified any more during the next year or two. Sir, I find both in the speech of my Honourable friend and in that of Mr. Russell there is a vein of Micawberism. Both have adopted the policy of Micawber of Dickens' fame and say, "Something will turn up, we will wait a year or two; probably this deficit will pass away, and the Railway Budget may be balanced in the future". Sir, last year when the Honourable Member submitted his Budget as a surplus Budget I observed that the Budget was a deficit Budget to the extent of 4 crores; and we know now that last year's Budget was a deficit Budget to the extent of more than 4 crores. This year my Honourable friend has brought out a Budget with a deficit of 11 crores, and yet he has not the courage to set his house in order. Moreover, if I read his speech aright, if I pass over all the trimmings about staff reorganization and so forth, there is one sinister demand in it—that the general contribution to the Government of India finances should in some way be taken off, and that there should be no further contribution. But, Sir, I find that in the despatch on constitutional reforms, from the Government of India, of which he is a member, to the Secretary of State, he held a different view. On page 55 of the Government of India's despatch—Sir, everybody knows that the Government of India was characterized by the late Mr. Montagu as too wooden,

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too antediluvian; and now if anyone reads that despatch, he will at once find that the well-known observation of Mr. Montagu comes to his mind immediately and although, I too characterize this despatch as antediluvian, too wooden, and we all know it is now a dead despatch—that it has no further value as regards the future constitution of India—yet I shall quote a particular passage therefrom (page 55):

“(6) Railways.—Sir Walter Layton does not take into account any increase in the contribution from railways in excess of 6 crores, recognizing the importance of keeping railway rates down in the general interests of trade. With this latter comment we definitely agree, though the amount of the railway contribution is a matter which may require further consideration.”

That was the view of the Government of India when they wrote that despatch, but I do not think that the Honourable the Railway Member at the time was prepared to tell his colleagues that the time had arrived when the Railway Department would be a statutory concern and that it should make no contribution to the General finances. Sir, as soon as the Montagu-Chelmsford reforms were introduced, those controlling the Railway Board at the time wanted that that should be a statutory organization and should pass out completely from the control of this House. They did their utmost. They did not succeed, but those who advocated those things have prevailed on the Government of India, and I am surprised that the three Indian Members who are in the Cabinet of the Viceroy have not had the courage to challenge what I should describe as the most mischievous and outrageous statement that railways should be controlled by a statutory body. But I am glad a different thing happened at the Round Table Conference. I find from their Report which has been circulated—I hope it is a true copy—that on page 10 it has been decided that all methods of communications should be put together and that the railways should be a federal subject and under direct control of the Assembly, although the Government of India demanded it should be under statutory control so that Railway Engineers, whether they be the Chief Commissioner or any of his colleagues or subordinates, can play ducks and drakes with our money. From the way it has been put in the recommendations of the Federal Structure Committee, I find that their intention is that there should be Communications Member in the Federal Ministry of the Government of India and that the Minister of Communications should be in charge of railways, shipping, roads, and other subjects. Sir, that was also the recommendation of the Acworth Committee in 1923, but the Honourable gentleman's predecessor, Sir Charles Innes and the Honourable gentleman himself had never paid any attention to what was recommended by that Committee. For high policy, which is not the policy of the Government of India, but the old policy of control and the old policy of keeping the Indians out of everything, they wanted that the Department of Railways and the Department of Commerce should be controlled by a European Member of the Viceroy's Executive Council. I have nothing to say against the Honourable gentleman who is at present the Railway Member—he does his best and he deserves the compliments that my Honourable friend Mr. Ranga Iyer paid him a few minutes ago—but if the Government of India were actuated by the highest motives, they would have brought out a Member of Communications in the Viceroy's Executive Council, so that he would be in charge of Railways, Shipping and even of Posts and Telegraphs. But that has not been done.

I say that my Honourable friend Sir Gorege Rainy worked with diffidence; under a deficit Budget he had not the time to grasp the big issues that are facing this House and facing the country. He could not even give us an idea that the attitude of the Government of India had changed since they wrote this inglorious despatch, and they probably did not read what happened at the Round Table Conference, and the Honourable Member as Leader of the House knows very well that within a month or two the future constitution of India will be decided. We would have welcomed from him his considered opinion as the Railway Member about the future power of the Minister of Communications in the new Ministry of the Government of India.

Sir, I do not wish to go into the Budget figures. As I said, it is a deficit to the tune of eleven crores. Last year Member after Member from this side pressed on Government to appoint a *Retrenchment Committee*. My Honourable friend the Finance Member appointed a Retrenchment Officer in Mr. Jukes, and if I may quote my Honourable friend Dr. Ziauddin Ahmad's words, Mr. Jukes was on the point of retirement then. He has been trying for eight or ten months to see if he could reduce the expenditure on the Civil side. And what is the expenditure on the Civil side? Not more than 25 crores on the voted side. We got a preliminary Report at the Simla Session last year. We may get another Report soon and we will find that a few chaprassis and jemadars and one or two clerks will have to be dismissed. And if my Honourable friend, Mr. Parsons, can lend the services of Mr. Scott, who is on the point of retirement, to the Honourable Sir George Schuster, he may introduce some of his experimental machines in the various Departments of the Government of India to show that there may be a further reduction of a clerk or two in one or two Departments. But the appointment of a Retrenchment Committee is imperatively necessary, and if my Honourable friend Sir George Rainy, who is a good financier and fiscal expert, has his own way, he ought to appoint that committee immediately to see how this huge deficit Budget of the Railways can be made a surplus Budget. Sir, I hope my Honourable friend as Leader of the House and as Member for Commerce has got time at his disposal to read the various Reports of the Public Accounts Committee. I hope he does not leave it to his friend Mr. Parsons or Mr. Hayman to look into these points. Big questions of policy have been raised. The witnesses who were sent before the Public Accounts Committee had to admit that the Indian Railways have reached their saturation point in their earning capacity. There is no change for increment of passenger or goods traffic. Although much is made of the civil disobedience movement and of the low level of prices, I do not see any prospect or chance of the railway income rising in the coming year or two. The civil disobedience movement might have affected trade conditions, but it has affected only imported goods. It has not affected the produce of the country. If there is a low level of prices today in India, it is so all over the world. Formerly Indian foodstuffs such as wheat and rice were exported outside. Today everybody knows that the world is over-producing. America does not want to buy Indian raw produce because she is over-producing. Australia is over-producing wheat. Japan is exporting rice to India and Burma rice is not exported. Everybody knows that on the Mediterranean coast enough rice is grown and Europe is not going to buy Indian rice in future. We have to face these facts. We have also to face the fact that with the low

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prices of jute and cotton, they will not be exported any more. We have to face the fact that America is now producing jute and so there is no chance of Bengal jute selling in America. Of course if—I say with a big IF—if England comes to some arrangement of Imperial preference, then she will buy Bengal jute; otherwise England will have other sources from which she will buy jute. So there is no reason to think that if Mahatma Gandhi comes to a settlement with Lord Irwin about the future constitution of India the Railways will have a good harvest and they will go back to their old condition. Last year I said that 65 crores was a big sum of money to spend on the operation and the working cost of the railways. You must apply the retrenchment axe and you must face the facts as they are. So I suggest once again the immediate appointment of a retrenchment committee, and I endorse what has fallen from my friend Mr. Ranga Iyer, that the salaries should be reduced. If Cabinet Members in England are prepared to take reduced salaries, why not the Cabinet Members in India? If Honourable gentlemen assume the position of Cabinet Members here, they must be prepared to sacrifice 25 per cent. of their own salaries. When the British Cabinet Ministers are prepared to sacrifice 15 per cent. of their salaries, it cannot be pleaded here that they are in special services and under special contracts with the Secretary of State and therefore their salaries should not be touched.

Sir, I wish to draw the attention of the Honourable the Railway Member to the fact that he should either himself study, or depute a member of the Indian Finance Department to study, the management of the railways controlled by the Indian States. How is it that these railways pay big dividends? The argument may be advanced that these railways do not provide such good accommodation as the Indian State railways or the Company-managed railways provide. I know the railways that are administered by my Honourable friend Sir George Rainy provide refreshment cars for those who like to take European food, but they do not provide refreshment cars for those who take Indian food.

The Honourable Sir George Rainy: “Question”.

Mr. B. Das: I challenge that question, and I say that except on the Bombay, Baroda and Central India Railway, there is no other company or State-managed railway which provides refreshment cars in the Indian way, Hindu or Muhammadan.

The Honourable Sir George Rainy: No.

Mr. B. Das: Why does he not introduce these refreshment cars for Indians on all the railways? Why does he not introduce it on the Bengal Nagpur, Southern Mahratta, East Indian and the other railways? If my Honourable friend will travel on these railways controlled by the Indian Princes, he will find that there is provision for the Hindu system of diet, the Muhammadan system of diet and also for the European system of diet.

Rai Sahib Harbilas Sarda (Ajmer-Merwara: General): On the Bombay, Baroda and Central India metre gauge there is no Indian refreshment car at all.

Mr. Gaya Prasad Singh (Muzaffarpur *cum* Champaran: Non-Muhammadan): And that on the broad gauge is rotten.

Mr. B. Das: While I was reading the speech of the Chief Commissioner for Railways, I found that being an Engineer he does not know the subtlety of my Honourable friend, the Railway Member, to conceal his heavy deficit and losses through political verbiage. But I am indebted to the Chief Commissioner for pointing out that there are so many committees of standardisation and other technical committees which are going to see that the railway appliances should be manufactured in India. Sir, in this matter, the Railway Board has been a great sinner in the past. So far they have done very little to encourage the applied engineering industries in India. Even if one reads through the lines of Mr. Russell's speech, one finds that even vacuum brakes must be even now purchased from abroad. My Honourable friend, Mr. Parsons, has got so many experts and why do not those experts design these things? Why do not they take these vacuum brakes and take them to pieces and make every part in India itself? My friend, Mr. Hayman, may smile, but if he has the time to read of the rise and prosperity of Japan, he will see what Japan is doing. Japan could not manufacture electrical machinery. She got the electrical machines from England and merely took them to pieces and then studied the design of those things, and her own experts then began to manufacture those things. But my friend Mr. Hayman does not control the technical policy of the Railway Board. He may be employed in the very good task of providing amenities to the labouring population and the staff for which, I know, there are the spokesmen here, my friends Mr. Kabiruddin Ahmed and Mr. Abdul Matin Chaudhuri and to whom my Honourable friend Mr. Hayman will reply. But I am speaking for the whole of India, that the Railway Board has so far not encouraged anything for manufacturing the railway appliances in India. It is solely due to the racial discriminating policy of those who control the Railway Administration.

Mr. President: The Honourable Member's time is up.

Mr. B. Das: I will conclude then, Sir. I think my Honourable friend, Mr. Anwar-ul-Azim, misunderstood the implications of my friend Mr. Ranga Iyer's speech. My friend, Mr. Ranga Iyer, wanted to point out the discriminating policy of the Government—the policy of divide and rule. If I can interpret my friend, Mr. Ranga Iyer, if Mussalmans want 33 per cent. the population basis, I say take 50 per cent. of the jobs. But why should the Anglo-Indians get 25 per cent. of the jobs and in some cases even 60 per cent. of the jobs? If the Anglo-Indians are to get jobs on the population basis or even on a literate basis, they cannot get more than 2 per cent. of the jobs. I hope my Honourable friend, Sir George Rainy, will realise this. It is a smoke screen which my friend the Honourable the Railway Member has raised in order that the fat jobs, the best loaves and fishes in the Railways, may be distributed among the members of Colonel Gidney's community.

Mr. M. Maswood Ahmad (Patna and Chota Nagpur *cum* Orissa : Muhammadan): I am sorry that the first speech while condemning communalism was full of communalism. Sir, I will not be out of order if I place a few figures before this House. Sir, I find that among the gazetted officers, there are 3.31 per cent. of Muslims in railway services and amongst other officers whose pay is Rs. 250 and over, there are 4.25 per cent. only. I do not admit that Mussalmans are in any way inferior to any community and especially to the community to which the Deputy

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Leader of the Nationalist Party belongs, and who has just attacked my community. I believe Muslims do not get their due share on account of some internal clique. Owing to my time being limited at the present moment, I will deal with the subject more fully some other day. Sir, I shall be failing in my duty if I do not place the case of Mussalmans before the House. From the various reports and statistics placed in our hands, it is apparent that the percentage of Muslims both in the superior and the subordinate services is very low, and I particularly draw the attention of the Honourable the Railway Member to the inadequate representation of Muslims in the services, and would ask him not to overlook their claims any more and to see that his instructions to his subordinates to that effect are not thrown into the waste-paper basket.

Now, Sir, it is not for me to condemn or to congratulate the Department which has prepared the Budget. The Department is above both. But I do not hesitate in saying this much, that the Honourable Member in charge and his colleagues have played their part nicely as far as the Budget and the introductory speech is concerned. At the outset I may be permitted to complain, Sir, that the time given to us to study and to make observations on the Railway Budget was too short a period to digest the whole amount of literature supplied to us and to scrutinise the figures contained in the different books. I admit, Sir, that on account of being a new Member, my difficulty was much more than that of others, but I think it would have been too much to expect even an official Member, with all the establishment at his disposal, to study such a huge mass of literature in comparatively such a short time. Sir, Railway finance was separated from the General finance in pursuance of a Resolution adopted by this House on the 20th September, 1924, and from that time there have been persistent demands from the elected Members of this House that the time given for studying the Budget is very short, but the Government have either turned a deaf ear or do not care to remove this long standing complaint.

Now, without unnecessarily wasting the time of the House, Sir, I come straight to the Budget. The Budget presented by the Honourable the Railway Member the other day bears unmistakable proof of the depression in trade through which the country and indeed the whole world is passing, which is to a large extent responsible for such a huge fall in the earnings of the railways. I shall, with your permission, Sir, first take the commercial aspect of our railways. Business is after all a business. A business man even in the streets always thinks of the ratio of the gain to the capital invested. According to the convention of the 17th September, 1924, by calculating 1 per cent. on capital at charge, the result is Rs. 6,62,33,000, and by adding 1/5th of the surplus, Rs. 5,91,31,000, i.e., Rs. 1,18,26,000, the result becomes Rs. 7,80,59,000. In 1929-30, Rs. 7,80,59,000 was the net payment due from the railway to the General revenues. If the loss of Rs. 1,68,73,000 on the strategic lines be deducted, the total contribution from the Railway to the General revenues becomes Rs. 6,11,86,000. These figures have been calculated according to the practice on the actual receipts and charges of the financial year, 1927-28. The capital at charge on commercial lines to the end of 1927-28 was

Rs. 6,62,32,58,000. Now, Sir, the point I want to bring to your notice is that even this Rs. 6,11,86,000 could not be paid from the net profit of the year 1929-30. The net gain in 1929-30 was only Rs. 4,03,64,000 and the deficit to meet the contribution to the General revenues was

Rs. 2,08,22,000. Sir, this is the business. This is the condition of the commercial lines because the loss of Rs. 1,68,73,000 on the strategic lines has already been deducted from the payment due. After such a heavy deficit in 1929-30, what do I find in 1930-31? I find that the revised estimate for the Railway Board for 1930-31 is Rs. 16,75,000 against Rs. 16,65,000, the actuals for 1929-30. And, Sir, this Rs. 16,75,000 was not shown at the time of the Budget; only Rs. 16,10,000 was shown in the Budget. For the Audit Department, that is, Demand No. 3 for 1930-31 I find Rs. 18,70,000 against Rs. 13,70,000, the actuals for 1929-30. I do not know of any sane business man who will think of increasing his expenditure after such a heavy loss. Of course, the manager who has no sympathy with the business, no sympathy with the owner of the business, will increase the expenditure by employing his friends, but no one can congratulate him. The most peculiar factor of the Budget for 1929-30 was that this deficit was not estimated at the time of placing it before this House. A nice part was played, a nice speech was delivered, congratulations were offered and received, and it was shown at that time that Rs. 6,24,72,000 would be the total payment to General revenues, leaving a surplus of Rs. 3,25,73,000 which will be transferred to the Railway Reserve Fund. In other words, a net gain of Rs. 9,50,45,000 was shown, while the actual gain was Rs. 4,03,64,000. This is not the case for 1929-30 only; similar is the case with the previous year also. In the Budget estimate of 1928-29 Rs. 8,90,90,000 was shown as the net gain, but the actual gain was Rs. 7,80,94,000 only. Had the deficit been due to the fall in income, no one would have cursed it. But, Sir, in 1928-29 I find an actual receipt of Rs. 105,90,35,000 against the Budget estimate of Rs. 105,35,70,000, i.e., a clear gain in gross earnings and surplus profit. The deficit was due to the working expenses. It can be said that the deficit in 1928-29 was not much, but I cannot imagine what can be said about 1929-30. In this year again I find a heavy loss—a very heavy loss indeed—of Rs. 5,46,81,000. Out of this amount I admit Rs. 2,18,88,000 was a deficit due to a fall in receipts, but a loss of Rs. 3,27,93,000 is again due to the expenditure side, out of which a loss of Rs. 2,60,95,000 was purely due to working expenses. After such a heavy deficit, I find that more money has been demanded for working expenses for 1930-31. It can be seen that actual figures for 1929-30 were not before the Honourable Member in charge of the Department, but, how can it be accepted that the actuals for 1928-29 were also not available? When I see that year after year the actual receipts are less than the Budget estimates and the actual working expenses are more than the Budget estimates, how can I rely upon the Budget estimates of 1931-32?

Sir, there are ample examples from which it can be shown that an under-estimate of expenditure is placed before this House; and when the work is in progress there is no alternative for this House except to grant more money to be wasted at the pleasure of the Engineers and the Department. Is it not the case with the new railway stations at Lucknow and Cawnpore?

[Mr. M. Maswood Ahmad.]

Sir, no doubt the fall in railway earnings during the current year to some extent is also due to increasing competition of the buses. This can easily be arrested to a large extent if the timings and routes of trains are so arranged as would meet the conveniences of the travelling public. Let me take a particular example to illustrate this. The express train from Patna to Ranchi—the two important capitals of Bihar and Orissa—*via* Asansol, Adra and Muri, is also not suitable. It takes about 19 hours to cover a distance of 329 miles; while on the other hand, if the same arrangement be changed, *via* Gaya, Gomoh, Barkakhana and Muri, there will be a considerable saving of time and distance, and the people travelling between Ranchi and Gaya who at present use lorries and motors, because it takes much more time by trains, will also welcome this change in the route. This latter distance of 297 miles, that is, 32 miles less than the former distance, can be traversed in comparatively a much shorter time. This saving of five hours in time and 32 miles in distance and a shorter journey on the metre gauge will go a long way to ensure the comforts of the passengers, who will certainly like to reach their destination five hours earlier, and a gain in point of revenue can only arise from the growth in the volume or the velocity of traffic, which is at present taken away to a considerable extent by the buses. At present bogies run 206 miles on State-managed railways and 123 miles on Company-managed railways, and by this change 226 miles will be covered by State-managed railways and only 71 miles by Company-managed railways, which is another benefit to revenue. By this arrangement, a good deal of saving is possible by omitting the 11 Up and 12 Down expresses, which start from Dinapore with bogies from and to Purulia, the junction for Ranchi. By converting one Up and one Down passenger train of Patna-Gaya Branch to express trains a long-standing difficulty of the public can be removed and at the same time it will save another hour of the passengers travelling to and from Ranchi without any extra cost to the Railway Department. If this arrangement is adopted, the buses will certainly not ply between Gaya and Ranchi. Five lorries run daily during the day time between these two places and in this way the whole day is wasted on the journey. If the Gaya passenger is converted into an express train and a through bogie consisting of first and second, and another bogie consisting of intermediate and third classes is attached to it, the public will greatly appreciate this as they will be in a position to travel while sleeping during the night without wasting the whole day

Mr. Ram Prashad Narayan Sahi (Bihar and Orissa: Nominated Official): Do you consider the inconvenience of North Bihar passengers who go *via* Mohameh?

Mr. M. Maswood Ahmad: There are other express trains for their benefit.

Mr. Gaya Prasad Singh: No, No; it is not a good proposal.

Mr. M. Maswood Ahmad: Sir, if we look at the earnings of the Indian railways, we find that the earnings from intermediate and third class passengers are more than ten times the earnings from the first and second class passengers, but on the other hand we find that other facilities provided for them are not even one-tenth of what is provided for

the first and second class passengers. The number of intermediate and third class passengers is constantly increasing year after year. In 1926-27, the number of intermediate class passengers was 14,945; in 1927-28 it became 17,351; and in 1929-30 it rose to 17,900. Similarly, the number of third class passengers in 1927-28 was 578,409; in 1928-29 it rose to 606,468.

The established principle of all business men is that they provide every facility to those customers of theirs who pay them more money. I do not know whether such is the case in England, but in India I can say with great confidence that the managers of the firm, that is, the Railway Board, do not care a bit to ensure the comforts of these people from whom they derive the largest amount of revenue. I do not know what is the procedure for selecting Members for the Railway Advisory Committees, and whether such important questions are placed before them or not. Local bodies like Union Boards and District Boards have always been drawing the attention of the Railway Administrations to the inconveniences of third class passengers, but no attention is paid to them and their reply always is "there are no funds available", "the matter is under consideration" and "there is no need" and so on. I quote an example, Sir. There is a station, Taregna, on the East Indian Railway on the Patna-Gaya line, which is considered a first class station on that line so far as traffic is concerned. The Union Board and the District Board repeatedly passed Resolutions requesting the Railway Administration to provide a third class waiting shed, and in these Resolutions it was pointed out that passengers are put to much inconvenience owing to the absence of a waiting shed for them and that they are forced to face the chill of the winter, the sun of the summer and lie in open during the rains. Are these troubles not enough to worry every Indian Member of this House? And still no attention is paid. Crores and crores are spent on palatial buildings, but for the provision of facilities for these wretched people, there is no money. If this is the attitude of Government in regard to commercial departments, it is very easy to imagine what will be the condition in other Departments. There is no adequate provision for the education of boys of poor employees. The work which could be done at a small expense by Indians is being given to Europeans and Anglo-Indians on high rates of pay.

Sir, besides these, no attempt is made to cut down the expenses and increase the income. Nobody cares to find out the real causes of this decrease in income and increase in expenditure. Is it not the duty of the Railway Board to find this out and do whatever is possible to improve matters?

The Assembly then adjourned for Lunch till Half Past Two of the Clock.

The Assembly re-assembled after Lunch at Half Past Two of the Clock, Mr. President in the Chair.

Mr. S. C. Shahani (Sind: Non-Muhammudan Rural): Sir, I wish that a longer interval had been allowed between the presentation of the Railway Budget and the general discussion on it. Somewhat greater importance ought to attach to the discussion of the Railway Budget by the

[Mr. S. C. Shahani.]

Members of this House. The speech of the Honourable the Railway Member discloses to my mind a careful study of the Railway Budget. He has devoted a great deal of attention to the Budget, and if he understands the view points of some of us on this side of the House, he may readily develop a disposition to modify some of the views which he has given expression to in his speech. I would like very much to place before him and the House my views which have emerged from my short study of the Railway Budget.

My first observation with regard to this Budget would be in regard to the statement of the revenue from railways. I find in this statement that in the revised estimates for 1930-31 third class passenger traffic earnings are shown at Rs. 28.85 crores, and in the budget estimates for 1931-32 at Rs. 30.32 crores. Similarly, goods traffic earnings are shown in the revised estimates for 1930-31 at Rs. 59.50 crores, and in the Budget estimates for 1931-32 at Rs. 62.88 crores. That is to say, in the case of both these earnings there is an increase shown in the Budget estimates. The first increase is in my copy of the statement indicated as *minus* 1.47 crores, which obviously should be *plus*

Mr. A. A. L. Parsons (Financial Commissioner, Railways): It is *plus* there.

Mr. S. C. Shahani: Not in my copy. In the case of the other earnings, the increase amounts to Rs. 3.38 crores. We are assured that these increases are not secured by any general increases in the passenger fares or in the railway freight rates, and that minor alterations have been gone in for in consequence of the authority which the Agents possess. But, even then, my idea is that these increases should not be enforced, for cheap transport is, according to me, essential for national prosperity. I am an agriculturist. I was very sorry to find that when, for instance, wheat was quoted at Rs. 1-10-0 a maund in the Punjab, the price that ruled in my part of the country was Rs. 2-8-0 a maund. Not only that, but when the price of wheat in the Jamrao tract was Rs. 2-8-0 a maund, in Karachi it was Rs. 3-4-0 a maund. Now, freer movement should certainly be secured for agricultural produce if the consequences of its low prices are not to be unduly aggravated. The agriculturists on my side, at any rate, have lost further in consequence of a bad arrangement of railway freights. We have been told by the Honourable the Railway Member that there has been this year a decrease in the earnings from fares owing to a tendency to travel a class lower in those that have been in the habit of travelling in upper classes. I notice that in the present conditions the agriculturists do not like to set out on journeys, and even if they do, they cover short distances on foot. On the whole, then, increases in fares or rates, however secured, will not be calculated to do good to either the railway or the people. I am told that increases may yet have to be contemplated, and that a committee consisting of experts may have to be appointed to determine whether or not passenger fares, as also the rates charged on goods, should not be increased. If a committee is appointed to explore the possibility of these increases, it is very desirable that non-experts too should be included in it; for then alone in my opinion it will be possible to secure that common-sense view which will be calculated to help the country.

My second observation would be with regard to the statement of working expenses. I find here that a reduction has been contemplated in the operation of railways, which will be rightly done if secured through reduction in traffic mileage. I have no doubt that economy in the second item, namely, repairs and maintenance of works and rolling stock, will also be well secured. We are assured that here economy will be enforced in matters which are comparatively non-essential; that the safety of passage of trains will in all cases be duly ensured, and that the deterioration of the rolling stock and other railway property will be duly prevented. I am not at all sure of the correctness of the lines on which economy would be effected in administration. When I look at these three items, I find that in the case of operations there will be an economy to the extent of 2 lakhs; that in the case of repairs and maintenance there will be an economy of 7½ lakhs, and that in the case of administration there will be an economy to the extent of 30 lakhs only. I am really surprised to see that the economy contemplated in the third case amounts to no more than 30 lakhs. The Honourable the Railway Member has talked of leaks and loopholes in the railway ship, and has counselled their stoppage. I feel that there the biggest loopholes exist in the railway administration. I would point to the undesirability of continuing, for instance, two sets of offices for the revision of Railway Account Codes and for the revision of the Engineering Account Codes. If these are abolished, seven to eight thousand rupees a month would be saved. Take another instance, the Railway Standards Office. This costs about Rs. 10,000 to Rs. 15,000 a month. In these times of financial stringency we may very well go without it. We also know that several unnecessary officers are continued in existence. We hear of sport officers, who go about arranging matches of hockey and draw *battas*. We hear of the multiplication of Deputy Agents. For instance, recently a Deputy Agent has been created by the M. and S. M. Railway. Many Deputy Agents do exist on the S. I. Railway. One wonders whether so many Deputy Agents are really required. In these days even the costly *Railway Magazine* might be very well stopped. The previous speakers have pointed to the necessity of doing away with the special Publicity Departments. We know that there is a Central Publicity Bureau, and that almost all railways contribute to the expenses of the Central Publicity Bureau. There is no need then for separate Publicity Departments. If these are abolished, a large saving would be effected. I was surprised to read the other day that very costly paintings by European artists are being gone in for purposes of publicity. Now, we cannot afford these luxuries at this time.

It has been said by the Honourable the Railway Member that the superior services are costing us only two crores of rupees, and that if we go in for a ten per cent. cut in their salaries, we shall be saving only about 20 lakhs. I have devoted some consideration to the matter. I really do not understand why the cut should not be one of 25 per cent. It is true that we ourselves cannot do it, and that we shall have to consult the Secretary of State. But we shall have to consult the Secretary of State even in the case of the proposed 10 per cent. cut. If the Chancellor of the Exchequer in England, Mr. Snowden, proposes a general cut of 10 per cent., there is no reason why, the present conditions of India being so different, we should not be able to persuade the Secretary of State to

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sanction a cut of 25 per cent. in the salaries of the superior services. If this cut is allowed and enforced, I feel that it will only mean a difference in the banker's account, and nothing more, in the case of these superior services. Taking the figures to be as they are given in the speech of the Honourable the Railway Member, the saving in this item will then amount to about 50 lakhs instead of 20 lakhs.

If we take the upper subordinate services into consideration which at present cost about 7 crores, and if we do not content ourselves with a cut of ten per cent. in their case but go in for a cut of 15 per cent., I see that we should be saving about 105 lakhs instead of 70 lakhs.

As for a cut to be made in the salaries of those that are drawing from Rs. 30 to 250 a month, I feel that a cut of ten per cent. will be altogether unjustifiable in their case, although about 16 crores are being spent upon them and although 160 lakhs may be saved by going in for a ten per cent. The equitable claims of these services ought to be duly considered. At an average rate we may take it that a man belonging to this service will have about 3 children. How is he going to maintain a family of 5, and how is he going to educate his children with his salary reduced? I think it is altogether undesirable to go in for a cut of this kind in the case of this service. There are other appropriate ways of effecting economy, and if these are explored, I have no doubt that the railways will find it possible to secure their former solvency.

If Honourable Members will look into page 13 of the Budget, they will see that the capital programme is considerably reduced. In 1930-31 14 crores and 50 lakhs were devoted to this programme, whereas it is intended that only 11 crores and 45 lakhs will be devoted to this programme in 1931-32. We are assured that no new constructions will be undertaken. I have been extremely anxious for the Badin-Viramgam section. This has been promised us by His Excellency the Governor of Bombay. One of the reasons why the province of Sind is proposed to be separated from the Presidency of Bombay is the distance of Sind from Bombay, which means a journey of 45 hours. If this section is built, the journey will be reduced to about 24 hours only. It was a pity, a sad pity, that no one was sent to the Round Table Conference to represent the views of those who are against the separation of the province of Sind. However, no one was sent and things were not properly represented, and at the Round Table Conference it was made out that the province should be separated. I hope somehow things will alter, and that a sensible view will be taken of the situation for which the promised section would be a great help. I do not know whether in the programme for the capital expenditure which is proposed the construction of this section is included.

Mr. A. A. L. Parsons: No, Sir.

Mr. S. C. Shahani: I should have been very glad if it had been included; but if it is not, it cannot be helped in these days of financial stringency. In connection with the programme for capital expenditure I would make one other observation, and that is, that if the capital programme is to be reduced to the extent of Rs. 3 crores and more, some of the temporary staff should be done away with. Reduction in the capital programme should mean reduction in staff consequent on reduction of work.

Mr. President: The Honourable Member's time is up.

Mr. S. O. Shahani: I will take only two or three minutes more, Sir. My next observation would be with regard to Exchange (pages 6 and 7). I find that the interest which is paid on the capital at charge for exchange amounted in 1929-30 to Rs. 7,94,731. In 1930-31 it amounted to Rs. 13,52,000, and in 1931-32 it is estimated to amount to about Rs. 11 lakhs and more. This according to me is a sheer waste. The difference is to be paid between the actual value of the rupee and its fixed value. We are told, Sir, that the ratio of 1s. 6d. is a settled fact and cannot be disturbed. I only point to the pity of it. Large sums of money have been and are to be wasted, and for no valid reason.

My next observation, Sir, would be with regard to the contribution from railways to general revenues. I see that based on the actuals of 1928-29, the tax that was paid by railways to general revenues amounted to Rs. 5,73,00,000. Based on the actuals of 1929-30, the tax is still estimated at Rs. 5,36,00,000. If there has been a loss of about 3 crores in 1929-30, when there is a gain of about 6 crores in 1928-29, there is no reason why the tax payable in 1931-32 should not be further reduced. When I compare Rs. 5,73,00,000 with Rs. 5,36,00,000, I find there already is a precedent for reduction.

Mr. President: The Honourable Member cannot indefinitely go on with his remarks.

Mr. S. O. Shahani: Only one minute more, Sir. Just a word with regard to the Reserve Fund. The depletion of the Reserve Fund is very undesirable. We have not got money to pay taxes due to the general revenues with, I think the taxes should stand over, and should not be paid. It is undesirable that the railways should operate on a very narrow margin, and be without the requisite funds. Then just a word with regard to Indianization. All that has been said by the previous speakers in this regard I feel disposed to endorse. There is no reason why not only the fifth Railway Board Member should disappear, but that half the Members of the Railway Board should be Indian. With regard to the special provision to be made for Muslims in the railway services, I feel disposed to endorse what has been said by my Honourable friend, Mr. Ranga Iyer. I feel, Sir, that on account of this communal policy, corruption and bribery have increased on a very large scale, at any rate in the province of Sind. Such a policy ought not to be continued.

Mr. Muhammad Yamin Khan (Agra Division: Muhammadan Rural): Sir, I have been a member of the Railway Finance Committee for the past two years and I know the many difficulties which are in the way of the railway finances. Considering them, anyone who knows anything about the internal affairs and the conditions prevailing cannot help congratulating the Honourable the Railway Member on the Budget he has presented to the House. I knew that we were expecting a heavy deficit, and we were thinking how we should be able to make the two ends meet. Sir, the Honourable the Railway Member deserves the congratulations of the House on the way he has presented the Railway Budget. I, Sir, think it my duty to tell the House how we found in the Finance Committee great co-operation from Mr. Parsons on each and every matter. Whenever a single item was put as an additional expenditure, we debated the point fully and Mr. Parsons was rather anxious to explain in greater detail than even the Members desired.

Dr. Ziauddin Ahmad: What about the Special Officers under Demand No. 11?

Mr. Muhammad Yamin Khan: I will just come to that if you will wait. Now, Sir, we have lost some Members in the present Assembly who were in the last Assembly and who were very keen on criticizing each and every item which came before the Finance Committee; and sometimes we found that we did not like so much explanation as was actually given by Mr. Parsons. Sir, he was very anxious to satisfy each and every Member who was putting up any criticism, although other Members who were old Members did not want such full explanations, but Mr. Parsons was anxious that the new Members must know the facts about every item to the full extent; and every item of expenditure which was sanctioned was sanctioned with unanimity and with the full concurrence of the Members of the Railway Finance Committee. He satisfied the non-official Members with full explanations so that no item might slip.

Now, Sir, my Honourable friend Dr. Ziauddin Ahmad says that it is a habit with the Railway Board to put down any item when-
3 P.M. ever they just want to provide for a certain person; that provision is not made for any service, but a new post is created just to suit a certain person. I say that it might have been the case ten years ago, but I can vouch for the last three years that I at least never found such a thing happening.

Dr. Ziauddin Ahmad: Sir, on a point of order, I will say that I cannot reply to him now but I will reply later on.

Mr. President: That is not a point of order.

Mr. Muhammad Yamin Khan: Now, Sir, I had occasion to deal in the Finance Committee with Mr. Parsons and Mr. Rau, who officiated for him, and we found that both of these gentlemen were very anxious . . .

Mr. K. P. Thampan (West Coast and Nilgiris: Non-Muhammadan Rural): Sir, on a point of order, are we discussing Mr. Parsons or the Railway Budget?

Mr. President: I should like to draw the Honourable Member's attention to the fact that it would be more interesting to the House if he spoke on the Railway Budget which is now before us instead of elaborating on what happened in the Committee and what any member of that Committee did. The Honourable Member has really taken five minutes on that one point.

Mr. Muhammad Yamin Khan: My point was to show that these items found their place in the Railway Budget after they had been sanctioned by the Railway Finance Committee, and if any Honourable Member says that these items have been put down for providing for a particular officer, it means an aspersion on the members of that Committee. And I wanted to defend the Railway Finance Committee by saying this.

Mr. President: Order, order. The Honourable Member as a member of the Finance Committee may give reasons why they included this appointment in the Budget. But it is no use in my opinion saying what Mr. Parsons said here or there. The Honourable Member as a member of the Committee is entitled to put forward the considerations which influenced him in supporting the recommendation to be included in the Budget, and he will be perfectly in order in doing so.

Mr. B. R. Puri (West Punjab: Non-Muhammadan): And what is more, we as members of the Committee refuse to be defended by our friend. We should rather defend ourselves.

Mr. Muhammad Yamin Khan: I must bow to the ruling of the Chair, although I find that I was never going out of order on this particular point of order which has been raised when there was no point of order.

Mr. President: Will the Honourable Member proceed with his remarks?

Mr. Muhammad Yamin Khan: Yes, Sir, I am doing so. Sir, I would like the House to know that for every item which has been sanctioned, or for every new expenditure, we have taken a guarantee from the railway officials that that appointment will go to an Indian if a suitable Indian can be found. Every time a new post has been created, we have laid great stress on this point and we have been satisfied on this point that the claims of Indians have not been ignored.

Dr. Ziauddin Ahmad: Is Mr. Parsons an Indian?

Mr. Muhammad Yamin Khan: Dr. Ziauddin Ahmad knows fully well without my replying to it whether he is an Indian or not.

Now, Sir, I am sorry that all the expenditure which had been sanctioned, and which would have brought great improvements on the railways, and had been sanctioned by the Finance Committee, could not be made on account of financial stringency. The difficulty which we are facing today is not that expenditure is in the wrong direction but that the money cannot be found. We know that a lot of necessary improvements on the railways could not be achieved. There have been many suggestions which were made for the benefit of the public, but every time we found a huge deficit and we could not find money to effect these improvements which would have satisfied the public as well as the Members of this House. This has been an exceptional year and we have to wait till the next year. We knew that there was formerly a programme prepared for five years, but now that has to be given up. There were many good and useful extensions of the railways which were put down under the five years' programme, but we found that on account of the financial stringency they had to be given up absolutely. I have several times myself drawn attention to several extensions which were needed in my province and needed very badly for the past several years. These were promised and the work was even started, but they had to be given up and we could not say anything on account of the paucity of funds available. I would, however, draw the attention of the Honourable the Railway Member to one great grievance which has been continuing for a long time and it does not require very much money to be spent upon it. I have been drawing his attention to it every time during the Budget Session, and that is the construction of a shed in the Meerut City railway station, which has not been sanctioned up to now. I have been representing on behalf of the Meerut citizens and the public who alight there that on the island platform there is a very little shed and the people who get down there during the late hours of the night, or in the summer days, or in the rainy season, feel the greatest inconvenience in going from the island platform to the main platform. This is a junction where the East Indian and the North Western Railways meet and the island platform is meant for the North Western Railway and the main platform for the East Indian Railway. There is no shed over the bridge which

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connects the two platforms. We find sheds like this at Moradabad, Bareilly and other places, but we do not find it in such a big and important station as Meerut City. This will not cost much but it will afford great facility to the people and the travelling public if it is provided in the coming year.

There is one thing to which I wish to draw the Honourable Member's attention. He says that the rates of freight and fares have been thoroughly examined and they do not require to be changed, and if there is going to be any change, there would have to be a change as a whole. But with due deference to his opinion, I think that a lot of improvement can be effected by changing the freight rates. There is great scope for improvement in that direction. There are certain commodities on which the freight is not properly fixed and which can be properly fixed and this will effect a lot of improvement. If proper attention is paid after full inquiry, I think there is still great scope for improvement. In some cases there ought to be a decrease in the freight while there can be an increase with advantage in other cases.

Another thing, Sir, to which I would like to draw the attention of the Honourable Member is that petrol is sold in Bombay at about annas 14 to 15 per gallon. In old Delhi the price is Rs. 1-5-6 and in New Delhi it is Rs. 1-6-6. This difference is a big difference in an article which occupies very little space on the railway. What I find on inquiry is this. This difference in the price is due to the heavy rates of freight on petrol. The only answer which I can get from the railways is that the petrol waggon which comes from Karachi has to go back empty all the way and it involves necessarily double the expenditure. Therefore the charges must necessarily be heavy. I think that those days are gone when petrol was considered to be a luxury. Now the time is changed and the consumption of petrol is increasing every day and when the Roads Development Committee is seeing that the roads are developed in every way and people are travelling by motor cars and motor buses, the price of petrol must come down to a considerable extent and this can only be done if the freight is not so much as it is now. I think, Sir, the reduction which is suggested, namely 10 per cent. all round, is very sound because the people will be affected equally and when the low paid servants are excluded it will not be very hard on the others. This is far better than raising money by increasing fares and rates. But I think, Sir, it will be hard on people who do not receive high salaries if the reduction is the same in their case too. So I think there should be a certain differentiation made by a sort of sliding scale, say people getting so much salary should give 10 per cent., then 15 per cent., 20 per cent. and so on. A man who has got a high salary has got some luxuries to meet and a man who gets a low salary has more necessities to meet and therefore there should be a certain discrimination in the rate of reduction between the two.

Now, Sir, I come to the last word about this general discussion. As far as the Railway Budget is concerned, I have nothing more to say at present. I think that the speech of my Honourable friend, Mr. Ranga Iyer, as supported by Mr. Shahani was not sound. That is most impolitic at this juncture. It will not serve any good purpose; it will create great harm. Speeches of that sort and of that mentality are not required now-a-days. We must create a calm atmosphere and harmony. We can

say the same things in a better way and I hope that my friends who will speak in future will do more service to the country by not supporting such speeches and refraining from making such speeches.

Mr. A. Hoon (Allahabad and Jhansi Divisions: Non-Muhammadan Rural): After hearing the learned discourse from 11 o'clock up to this time, I am sure the Honourable the Railway Member will not mind if I begin my maiden speech in this House by paying him a compliment. It is common knowledge that the facilities of travelling are improving in the country, and I need not dilate upon that subject any longer. But the real thing which perhaps does not come to the knowledge of every layman is, how is the Railway Administration which is not seen by the passengers travelling at the railway station, dealing with the public with regard to commercial lines. I assure you that I have been in touch with the Railway Administration for the last 25 years, and I can assure you that the treatment which the Railway Administration gives now to the public with regard to the settlement of their claims, with regard to hearing grievances in connection with the booking of their goods, etc., is really very much to be commended, and it is all that can be desired at the present moment. On the other hand, with regard to the facilities, the comforts, the increase of pay and other comforts which have been given by the Railway Administration to their staff are also good. I think Honourable Members will agree with me that the railway *baboo* is better fed, is better clothed and is not looking half so melancholy as he used to do before. But in that theatre we find a gloomy personality moving here and there on the platform or in the railway train. That personality is the personality of our friend, the poor Anglo-Indian. I need not dilate on the causes which have led him to become so melancholy. But there is no doubt that the poor man finds that he does not get what he used to get before. I would not take the time of the Honourable Members any longer and would not get into the discussion with regard to communal representation. But I only want to impress with all the emphasis at my command on all my Honourable friends here that that is the result of the policy of spoon-feeding, which must vanish one day or other. If any community requires spoon-feeding now, I am afraid they should count upon the same fate waiting for them in the near future.

Sir, faults have been found by my Honourable friend, Mr. Yamin Khan, with regard to the building of a shed or with regard to the reduction of freight on petrol. I submit that these are very petty matters at this juncture in the history of the country. We are at this time confronted with a very very serious problem. A careful perusal of the speech of the Honourable the Railway Member as well as the speech of Mr. Russell in the other House bring the alarming fact to one's knowledge that there is going to be a withdrawal of over 10 crores of rupees from the Reserve Fund. I think, a little pin-pricking, small points, petty affairs, should all be forgotten at this moment by Honourable Members, and every one of us should come forward with some constructive proposals and place them before the Railway Advisory Committee, or before the Honourable the Railway Member, so that we may be able to see we may be able to make arrangements that in the near future we do not verge on insolvency. If I understand aright—because my knowledge of these affairs is very limited—I think that if we withdraw 10 crores this year, and if another year is going to be equally bad, we shall have practically nothing left in the Reserve. What then

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are going to be the measures that will really do the needful in this matter? Suggestions are made by the Honourable the Railway Member that he is proposing a ten per cent. reduction in the salaries. Sir, with all the humility I possess, I put it before the Honourable Members that this is mere eye-wash. There may be sincerity behind it; there may be honesty behind it, and I daresay there is honesty and sincerity behind it. But the point is, is the remedy suggested going to undo the evil? I assure you that it will not. The action would be only insignificant as compared with the trouble that is facing us. We have got to see very carefully as to where really the mischief lies. The Honourable the Railway Member in his learned report has given expression on more than one occasion when discussing the causes of the diminution in the railway earnings, to the present political struggle. I quite agree with the Honourable the Railway Member that the present political trouble has got something to do with the deficit in the railway earnings; but I wish that the Honourable the Railway Member had not laid so much stress on that point alone. The point that is really vital in this matter is the expenditure. Honourable Members will all agree that we want safe wagons and safe carriages in which goods and passengers can be carried; we want a safe permanent way on which the trains will run; but at the same time we want a cheaper method of working. It is all very well for the Railway Member and his associates to say that they are trying to do this thing here and that thing there; but, Sir, it really comes to this. If when husband and wife sit down together and want to have a budget of their own, the husband says 'You must remember I must have a Rolls Royce', and the wife says 'You must remember I must have my yearly trip to Europe', and the son says, 'You must remember that I must go to Cambridge this year and thereafter to Oxford', what reduction can be made in the budget of a home where every one has got fixed items of expenditure from which he will not budget? Sir, the main trouble on our railways is expensive labour, and I use the word 'labour' in its wider sense. For how long have the representatives of the people been asking for the Indianisation of the railways and what has been done actually so far is known to us all. I admit the railways are being Indianised, but I regret that the expenditure has not been put down. What is there to stop the administration from advertising that in future the Assistant Traffic Superintendent or the Assistant Engineer, or the Assistant Loco. Superintendent shall have to begin on Rs. 200 a month? If he does not like it, he can go to some other country and seek a job there. Sir, unless we all come to a resolution, unless we all make that arrangement, that expensive labour shall be done away with and curtailed, I assure the House that nothing whatsoever in the shape of tangible results can be achieved in the future.

The difficulty has come in that for some time past, in fact ever since the introduction of railways in this country, a certain standard has been assigned to the railway employee, and efforts are made to maintain that standard. I submit that probably the very standard that was assigned to the railway officer was not the right standard as compared to the conditions in other parts of the world. Without fear of contradiction, I can inform the Honourable Members here that on one of the busiest railways in England I came to know personally that the District Traffic Superintendent's salary was not more than £400 per annum. The District Traffic Superintendent in India, of a desolate district, where perhaps there

is nothing much to do except to go about in his saloon, gets a salary of Rs. 1,200 or Rs. 1,800 a month. Sir, unless we grapple with the evil, unless we go to the very root of the evil, nothing whatever can be achieved; and I submit that if we want to do anything useful, the only way to do it is that the officials and non-officials, gentlemen in this House who have made a special study of railway problems and of railway figures, like my Honourable friends, Dr. Ziauddin Ahmad, Mr. Hayman, Mr. Parsons and the Honourable the Railway Member, should all sit down together and first come to an agreement and say, "In future we are going to have cheap labour on the railways"; unless they do that, nothing useful can be done. Small improvements here and there and small grievances, I think, we can safely ignore at this time. We should go and see what is the real trouble and how it can be removed. With these remarks, I hope that the Honourable the Railway Member will take all these suggestions of mine for what they are worth and give them his serious consideration. (Applause.)

U. Tun Aung (Burma: Non-European): Sir, as I come from Burma, my view point in regard to the Railway Budget must naturally be Burman. Any one who has been to Burma will find that railway service there is one of the major services and the employees therein are all non-Burmans practically.

Mr. B. Das: What a shame!

U. Tun Aung: On the top of that, I view the matter with alarm and great consternation when I see the declaration made solemnly by the Honourable the Railway Member that the representation of Muslims in that service will be scrupulously observed. I think, Sir, the time has now arrived when there should not be any particular distinction made of this nature. I came to India as a total stranger, and here I find that the claims of Muslims have been forwarded by the authorities concerned with much more care than the claims of other races. I have no grudge against the Muslims in any way; but I am only anxious that the claims of my fellow-countrymen be equally observed if not more by the authorities concerned in Burma.

The last speaker touched on a very vital point affecting really material savings in the Budget. I have seen that motions have been placed before the local Council for the reduction of railway freights. Not a word has been said in this Budget, but I think it will be accepted that the reduction in the freight of paddy and other agricultural articles would offer an inducement to traders in spite of the depressed condition of the trade, to make use of the railway services, and thereby much more income might be expected from that source, if only an encouragement of that sort were placed before the traders.

I find, Sir, there is an estimated provision of Rs. 150 lakhs for the Sagaing Bridge, and for this year a sum of Rs. 20 lakhs has been budgeted. Those who have been to Burma will know that the Irrawaddy is the majestic river practically dividing the country into two parts from the top to the bottom. The Sagaing Bridge is one to connect the lines between Amara-pura on the one side and Sagaing on the other. I know that this would offer a very useful service to the people there in that they would be employed on the construction of this bridge, but I am rather afraid that the sum of Rs. 150 lakhs, which will be spent on this bridge, which would after all be a marvellous piece of engineering, would not justify the use

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to which this bridge would be put. The ferry service that has been in use for many years past has been equally satisfactory. If instead of spending the sum of Rs. 20 lakhs this year, or Rs. 150 lakhs in all for this bridge, more railway lines were opened out in adjoining areas, there would be much more satisfaction to the people and there would be much better service rendered to the country. The bridge, as I have stated, Sir, would only be a piece of engineering skill. The tourists from abroad might come and admire it, but the service that it would give would not in any way be commensurate with the expenditure that would be involved in its construction. Now, I would only like to stress the first point, and that is, about the employment of Burmans in the railway service. I want to ask the Honourable the Railway Member, Sir, that the claims of the Burmans in this very extensive service in Burma should be given due recognition.

Mr. K. P. Thampan: Sir, I rise to make a few observations on the Railway Budget for the ensuing financial year. In doing so, I may say at the very outset, that I approach the subject in the capacity of a shareholder of a business concern, an attitude, I trust I am entitled to hold in my capacity as a taxpayer.

The position at the end of the ensuing year, as I understand it from the Explanatory Memorandum of the Budget, which was placed in our hands is this. The capital invested on the railway lines will be 796 crores of rupees, roundly. After meeting the working expenses from the receipts there is left a net balance of 1.21 crores. This is hardly sufficient to pay the contribution to the general revenues, and we have to draw upon the accumulated Reserve, which is therefore reduced to 1.33 crores. The Depreciation Fund, after a withdrawal of 8.2 crores against a provision of 13.43 crores this year, stands at the satisfactory figure of 21.47 crores, on the 31st March, 1932.

Now, Sir, considering the large capital invested in railways, the Reserve of 1.33, though only of a few years' growth, is not adequate enough to meet abnormal conditions. Suppose there is a large deficit next year also, a contingency which I earnestly hope and trust will not occur, and we are forced, as we were this year, to draw on some kind of reserve, I am anxious to know to what remedy the Government will resort. In business concerns of such magnitude, it is highly necessary to build up gradually a large reserve to meet long and continuous adverse conditions. I would not have minded, therefore, if the contributions to the general revenues were reduced or entirely stopped for some years and the amount allowed to accumulate as reserve fund.

Mr. B. Das: No, that will not be allowed.

Mr. K. P. Thampan: Let me continue, I would also suggest that the expenses connected with the strategic lines ought to go to the military accounts, as they are, strictly speaking, allied to defence, and the accounts of the strategic lines removed altogether from the Railway Budget proper. ("Hear, hear" from the Nationalist Benches.)

Another suggestion that I have to make is that the sinking fund for the amortisation of the debt incurred for the railway capital ought to be legitimately treated directly under the Railway Accounts. Money is borrowed for several purposes by the Government and the sinking fund for

each purpose ought to be raised from its own respective source. There is no meaning in making railways contribute to the sinking funds of irrigation debts or any unproductive debts. As the railways are already contributing their quota to the common sinking or Debt Redemption Fund in the shape of a lump contribution to the general revenue which provides for it at present, it will only be a matter of book adjustments to carry into effect these humble suggestions of mine if they meet with the approval of Government. It has been said, that railways are commercial concerns, and inasmuch as that general principle has been recognised, one expects all the implications of that principle would be logically extended to all details and directions.

Now, Sir, coming to details, one is struck with the disparity between the expenses of the State-managed and Company-managed systems. For sub-head Agency, under Demand 4, it is found that the Madras and Southern Mahratta Railway spends only 3.85 lakhs, while the East Indian Railway, which has only a thousand miles more for administration, spends 9.90 lakhs, nearly three times as much as the former. This is only one case in point. Under Audit, it is $3\frac{1}{2}$ times more; under Telegraph they spend nearly double, and under Medical, it is about three times as much. In regard to the Great Indian Peninsula Railway also it is more or less the same. Unless therefore there is something radically wrong somewhere, this cannot be explained. It is time that attempts were made to standardise the working expenses. It must be said that the companies manage their railways more economically, and if the fact is that that their Board of Directors exercise a more vigilant control over their workings, it is up to the Government to adopt the same system over the State-managed Railways. It often happens that State properties are treated as nobody's properties, and, I hope as the railways of India are paying assets, Government will not neglect them or allow them to sink into that condition. A comparison between State-managed and Company-managed systems makes startling revelations in all branches of administration, and at this point I only desire that full advantage must be taken to introduce the economical ways in which the latter manage their affairs.

The purchase of stores in England and other foreign countries is another matter on which we Indians have strong feelings. Those materials that are available in this country should not be purchased elsewhere, and those that are not available must be manufactured departmentally by the railways in their own workshops. The railway is the most competent and proper body to take the Swadeshi vow, and we on our side will not hesitate to vote any amount for erecting the required additional plant to make the workshops self-contained.

I desire to avail myself of this occasion to invite the attention of the authorities to the rates and fares that are now prevailing on some of the railways. It has to be admitted that there is keen competition going on in many parts of the country between railways and private buses. In the place where I come from, it is cheaper to travel by buses. As a matter of fact, people prefer to go in buses from Palghat to Trichur, Coimbatore, and even to distant places like Palnis. I have myself found it cheaper to go to Calicut in my car, paying four tolls on the way, than taking a first class ticket by rail. Freight for timber in the Shoranur-Nilambur Branch is so high that it does not compare with that of ordinary bullock carts. I was told, and I speak subject to correction, that freight from Bombay to Calicut is much less than from Bombay to Palghat which is on the main line and

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nearer to Bombay by 80 miles. Merchants find it cheaper to book their goods to Calicut and re-book again to Palghat than to book directly from Bombay to Palghat. These are matters that really deserve close scrutiny and to be remedied with great advantage.

The introduction of intermediate class carriages on the broad gauge section of the South Indian Railway is one in which the public of South India have shown great interest. To a question put in the Assembly last year I remember to have read the answer that the matter was referred to the Directors at Home. But at a meeting of the Advisory Committee recently held at Madras the Agent is said to have declared that the introduction of intermediate class accommodation would not be a paying proposition. If the data collected did not show it was paying, where was the necessity to refer the matter to the Directors? The fact is that the South Indian Railway charges $7\frac{1}{2}$ pies as against 5 pies in the Madras and Southern Mahratta Railway for their intermediate class on their metre gauge section. The difference between intermediate class and second class fare is only $1\frac{1}{2}$ pies, and it is therefore natural that people prefer to travel second class. If the South Indian Railway will also reduce their fare to 5 pies, I am sure that there will be a ready response from the travelling public. There are a large number of middle class men who are above the ordinary poor people travelling by third class, and the South Indian Railway ought to cater for such class of people.

I find a sum of Rs. 5.85 lakhs has been budgeted for the expenses of the Central Publicity Bureau. There are establishments in New York and London to carry on propaganda work. One is inclined to question the utility of this branch. I would like to know whether, after the establishment of the branch at New York, there has been an appreciable increase in the number of American tourists in this country. Americans are sure to tour in this country as long as they have dollars in their pockets and sights to see in this country. While there is some kind of propaganda in foreign countries, there is hardly anything of the kind in our own country. The third class passenger traffic is an important item of revenue. If the efforts of the Publicity Branch are directed towards carrying on propaganda work among the large pilgrim classes, it is sure to have beneficial results. The villager has at present only heard about the sacred places of his country, and if he is made to know more of them and the facilities of travel, he might be induced to travel to those places of pilgrimage. I am one of those who think that publicity work in foreign countries may with advantage be stopped and its activities confined to this country.

Before closing my remarks, I would like to refer also to the desirability of determining the contract of the Bengal and North Western Railway and taking over its management by the State. The question has been before the Government for some time, and I find from the answers given to interpellations in the House that nothing definite has been decided. It is said that the Company is paying large, if not fabulous dividends, while the convenience and interest of the passengers are woefully neglected. If as I am told, the capital required is only one crore of rupees, the amount is not large and can be easily raised in this country itself. I hope that Government will see their way to acquire this line and do the needful without any more delay.

Mr. Amar Nath Dutt (Burdwan Division: Non-Muhammadan Rural):

Sir, I confess that I find it not only depressing but humiliating to have to discuss a Budget over which we have really no control. Not only do we have no control over this Budget, but we have no control over the policy of the administration, or the programme and policy of construction of railways. On these matters we are never consulted. In fact, we cry ourselves hoarse in this House and elsewhere for constructing a little railway line here and a little railway line there, but the Railway Board and the Honourable the Railway Member hardly pay any attention to our cries. They are solely guided by two factors; one is the construction of strategic lines for Imperial purposes, and the other for advancement of British trade. We know how lines are constructed at places where other interests than Indian interests require that they should be constructed. Innumerable examples of this can be given, where foreign prospectors have taken leases of jungles and apparently waste lands at a very convenient rate, and then they ask the Railway Board to construct a railway so that they may have good prices for the products of those tracts. But, Sir, civilised tracts, have been left out of consideration. It is nearly 76 years ago that the first railway train began to run here in India and the tract of the country which it traversed was from Howrah to Ranigunge. To the south of it lies that civilised tract of Bengal which has produced the greatest poet of Bengal, Kabikankan, and also the greatest jurist of modern India, the late Sir Rash Behari Ghosh. This tract of country has been neglected for a long time. In 1872 there was a talk of constructing a line over that tract of country, and Mr. Horace Bell surveyed the line. Then, about the early eighties of the last century there was another survey of the line. Afterwards, about the year 1901 or 1902 there was another survey. At the instance of Mr. Bhupendra Nath Basu, who happened to belong to that part of the country which has produced the greatest Indian of the nineteenth century, Raja Rammohun Ray, a line was proposed to be constructed from Vishnupur to Howrah. So long as Mr. Bhupendra Nath Basu continued to have influence in the Government of India, the proposal was not dropped but I find now that it has been almost dropped, as will appear from the answers given in regard to the construction of that line. The answer has been that, unless there is more pressure of traffic, they are not going to construct the line. Sir, I may point out that there is a line on which the Indian revenue has suffered a loss. You guarantee an interest of 4 per cent., but the line does not pay you more than 2 per cent., because you have laid it at a place which is neither a business centre nor from which people can get to other places, I mean the Bankura-Damodar River Railway. But if you extend it to the town of Arambagh or the district town of Burdwan, I think that that line will pay and Indian revenues would not suffer. I pressed this matter more than once before the Financial Commissioner, but our prayers have not been heeded. About the administration and policy, much has been said, and I would not detain the House by dilating upon them. But there is one matter about which I shall respectfully invite the attention of the Railway Member, and that is about the stores purchase system of the Railway Board. I find that about 9 crores of stores have been purchased from foreign sources and the imported materials from foreign countries come to about 7 crores. That is, about 16 crores worth of stores have been purchased from foreign countries. Now, what is the amount that has been purchased in India? Here we have a

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very clever device. Here we have a figure given as 14 crores, a little less than what is purchased from foreign sources. But I think three-fourths of this 14 crores is only raw materials, such as bricks, stone, timber and coal and such other things. Certainly, these things cannot be imported from other countries. I know there are people who would like even these things to be imported from other countries. I know what has been the fate of the coal industry in Bengal by attempting to bring in coal from elsewhere, but these are matters outside the present subject. Leaving out bricks, stone, timber, etc., only about three or four crores worth of stores are purchased from indigenous sources. Now, in connection with this matter I may point out one fact about the Peninsula Locomotive Company, which was not given any orders for locomotives, and afterwards the Government purchased the company and converted it to the purpose of manufacturing bogey under-frames. We have some remarks about it in the speech of Mr. Russell in the other House, which are to the following effect and which I consider to be nothing but a camouflage. In fact those who know the inner working of these things will not be deceived. On page 6 of his speech, Mr. Russell says:

"As another instance of how economy can be effected by standardization I would mention the East Indian Railway Carriage Underframes Workshop at Tatanagar. Carriage underframes are being manufactured there today at considerably less cost than they can be purchased from any other source."

I challenge the Honourable the Railway Member and the Honourable Mr. Parsons to let us know whether they ever invited tenders, so that we may know whether these things could have been purchased at a cheaper rate from elsewhere.

Then there is one other fact which I should like to mention. This House is new. Many of the Members are new also. For their information I may point out to them that last year the Government reserved twenty thousand tons of steel sleepers to be purchased from the Tatas. This was assured to Pandit Nilakantha Das last year, but when Pandit Nilakantha Das informed the Tatas of this fact and when they came over here, they were refused the order. Subsequently when the Bengal Nagpur Railway wanted steel sleepers, they invited tenders with such specification as can only be had from Henry Williams. (*Cries of "Shame"*.) These are facts which those who know will understand. The result has been that the Tatas' sleeper plant is lying idle, and still the Railway Member, who is also the Commerce Member, comes before us and wants to have the Tatas' subsidised. Then there is one other fact which I beg to point out to the House. If instead of using steel sleepers, you had ordered cast-iron sleepers, several foundries engaged in the manufacture of the same in Bengal would have got sufficient work to have their labour engaged. Now, it is a well known fact that cast-iron sleepers can be substituted for steel sleepers, which are more durable and cheaper. In view of these observations about the purchase of the stores, I hope the Honourable the Railway Member will see his way to rectify matters, so that we may not have to complain in future years. I have carefully perused and listened to the speech of the Railway Member and his remarks about retrenchment. He says:

"So far as the reduction in expenditure is concerned, I am confident that, with the good-will of all concerned and the strenuous efforts to effect economy which I know are being made on all railways, we should be able to reduce our expenditure to the extent contemplated."

Sir, I can assure him that there will be no lack of good will on the part of those whom he asks to show good will, but I deny that strenuous efforts are being made on all railways. We hear of new posts being created year after year carrying high salaries. Now, Sir, if you go back to the history of the Railway Administration from the days when it used to be administered by a Member of His Excellency's Council, and before the formation of the Railway Board, in 1905, I think, you will find that posts of various kinds have increased. Whenever any man without education belonging to a particular community is to be provided for, at once a post worth more than

Rs. 250 is created. I think I will not be misunderstood if I submit that in this connection it has been said that about 75 per cent. of the posts are Indianized, but I can point out that of the posts carrying a pay of over Rs. 250 about 68 per cent. are held by a particular community, and the rest were divided among the two other communities, who were unfortunately wrangling here this morning. In fact I wish that both the communities should join hands in fighting this common encroacher on their rights. Be that as it may, my submission before this House is that there should be no racial discrimination in matters of employment. Efficiency should be the sole test of public service ("Hear, hear"), and what you lay down here is against the charter of the good and great Queen Victoria, that Indians will be employed irrespective of caste, creed and colour, to the various offices under the Government. You go back against the words of that great and good Queen and treat her proclamation as a scrap of paper.

There has been some reference to third class fares, and the logic is rather queer and un-understandable. It has been said that if fares have to be raised, the fares of all the classes have to be raised—of the first class, the second class, the intermediate class as also of the third class. It is said that, as soon as you raise the fares of the first class, people who used to travel first class come down to the second class; in the same way the second class people come down to intermediate, and the intermediate class people come down to the third class. And for this reason you wish to raise the fares of third class also. That is hardly fair to the poor people who travel third class as they have no lower class to go in. (Laughter.) In the matter of retrenchment you want the withdrawal of the amenities of third class passengers. I do not know what amenities these poor passengers possess, save and except that they can huddle themselves in the railway compartment after getting the kicks and blows dealt out by some of the employees; and then they have to purchase at a high rate unsubstantial food. All you give them is the *pani pare* to supply them with water. This is the only so-called amenity supplied, and that probably you want to take away. Then with reference to the water supplied, I have one other grievance to point out. These *pani pares* hardly come before the first and second class compartments (Laughter), and orthodox Hindus who do not take, or would not like to take water from other hands, find it difficult to get water from them, and at times these water carriers are not to be found for the third class passengers also on the railway platform. This is a thing in connection with which the Railway Administration ought to issue instructions strictly that they should always be present. Then as regards the food supplied to the Hindu passengers

Dr. Ziauddin Ahmad: All the passengers,—Muhammadan passengers also.

Mr. Amar Nath Dutt: You have your restaurant cars where you can have good and nice dishes, but the charges are so high, and with the fall in prices why should they not be asked to lower the prices? But whatever that may be, as regards the Hindu refreshments in the car, I beg to submit that on the East Indian Railway I have not found any. There are of course some refreshment rooms in the stations, but will you believe it, the train stops for just fifteen minutes at Cawnpore, and the Honourable Member who sits by me here had his food from the Cawnpore Hindu Restaurant Room and the food was brought to him. But he was told that he must transfer the food into some dishes of his own. He asked why, since Kellners' people go with you. The reply he got was, "We have no passes". "You have either to finish your food in fifteen minutes, or you must have your own dishes in which to put the food and take that in the carriage. Now Kellners' people go with you for several miles till you finish your meals. Then again you find there is one very popular train, the "Blue Express".

Mr. President: The Honourable Member's time is up.

Mr. Amar Nath Dutt: One minute, Sir, about the Blue Express. (Laughter.) This train reaches Cawnpore about 9 A.M. That is hardly the time for Indians to take their breakfast, and after Cawnpore we have no Indian refreshment rooms. So one must take it at 8-30 or 9 in the morning, or he must starve himself.

I submit that all these things should be looked into.

Mr. D. K. Lahiri Chaudhury (Bengal: Landholders): Sir, after the sad picture of a completely depressed state of affairs portrayed by the Honourable the Commerce Member, one does not feel like having any nerves to launch into a critical estimate of the general condition of our railways, and yet this is perhaps just the time when we should muster courage and concentrate all our energies to save the situation.

The Honourable Sir George Rainy deserves our thanks for having drawn our pointed attention to the hopelessly dangerous condition in which the management of our State railways has been reduced to, but he can hope for little sympathy from the representatives of the people in this House whom he has suddenly told that, for the first time since the separation of the Railway Budget from the General, there is a net loss of about five crores of rupees to be met by the already over-burdened taxpayers of the country. (*An Honourable Member:* "Ten crores".)

This is not the occasion to scrutinise and examine the details of working of our State railways, but permit me, Sir, to point out that the statement made by the Railway Member only goes to confirm the general impression in the country that a few European officers—mere birds of passage in this Country—are hopelessly bungling the management of the biggest nationalised industry in the hands of the State.

It was not in a light vein, and certainly not without giving the matter most careful and anxious consideration, that this House echoed and emphasised the demand in the country for a policy of State-management. It is a matter of history, Sir, how it took popular opinion nearly 15 years to prevail upon the Government to accept the policy of State-management. Let it not be said by future historians that, owing to our negligence, the cherished ambition of the people of India to possess and to manage her

railways was completely ruined. For, I am afraid, Sir, that the signs round us only portend a complete failure of State-management. The Honourable the Commerce Member has tried to convince this House that the decrease in net receipts from our railways is of a more or less permanent nature, and he has tried to explain away the difficulties by referring to the world trade depression and the civil disobedience movement. Unhappily the Railway Board's own figures tell a different tale. The figures quoted in volume 1 of the Annual Administration Report show that, with the exception of unusually lucky conditions in 1927-28, the net receipts of the railways, and particularly of the State-managed ones, had been steadily on the decline for several years passed. It is no use, Sir, to side-track the real issue and to try to cover up all sins of omission and commission by laying all blame on the country's struggle for freedom, that has taken the least offensive form in the present civil disobedience movement. Both the Government and ourselves have to thank the Congress for the restraint they have placed on the forces of revolution in the country. For no one can tell what serious consequences would have followed both to the country and her railways, had this legitimate demand of the people to win Swaraj for themselves not found expression merely in non-violent channels. It appears that the disease lies elsewhere, namely, in the rather unfortunate fact that, although it has been the accepted policy of Government to have the railways of India increasingly under State-management, the actual administration of the policy had to be left in the hands of persons who themselves were poor believers in State-management. I do not know if it is really deliberate, or it is accidental, but one thing is patent, that the management of the railways by the present Railway Board has failed to advance the cause of nationalisation, so dear to the people of India.

Before proceeding further into the specific items of income and expenditure, this House would be glad to have an assurance from the Government that, in view of the experience of the past, special efforts will be made to see that the cause of State-management is not ruined. The danger to the policy of State-management is revealed not merely through the net financial results of working. It is also reflected in the careless handling of the question of purchasing the Assam Bengal Railway. Ten years ago the Acworth Committee unanimously recorded that the management of Indian railways by English companies with boards sitting in London was an anachronism which ought to be removed as early as possible. It was therefore recommended that the contracts with such Companies, managing railways here, should be terminated whenever opportunities were presented. Sir, this House has a right to know what arrangements are made by Government to carry out these recommendations loyally. Government ought to take such steps in this matter sufficiently in advance, as would enable them to ignore temporary financial exigencies in steadily pushing through the policy of extending the network of direct State-management.

The other matters that deserve careful attention are the policy of capital expenditure in recent years and the not effects of the numerous measures of economy and efficiency that we have so often been told of. It is our fear, Sir, that no proper scrutiny is or has been made of the capital programme from the strictly commercial point of view. Big schemes involving a good deal of purchase of iron and steel and other materials from foreign countries may be matters of pride or satisfaction to the engineers of the Railway Board and may afford some little opportunity for an expensive

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publicity stunt, but they are matters of poor consolation to us when we discover that, measured in pound, shilling and pence, these have enormously enhanced our debt charges with little or no additional return. This House demands that full information be placed at its disposal to show how far each and every item of capital expenditure has brought us some net additional revenue.

The Honourable the Commerce Member has at last realised the need for the exercise of the strictest economy. He deserves to be thanked for it. But I am afraid, Sir, this necessity has been perceived a little too late. And even as it is, the policy proposed to be adopted is far from what we feel to be the right one. There is no question that at a time like this the hundreds of small loopholes through which money leaks out must be stopped, but if the ultimate object is to effect real economy, what is needed is the damming up of large channels through which money is drained out, and not a mere policy of stop-gaps. It is our apprehension that the proposals enumerated by the Honourable the Commerce Member will only go to accentuate the difficulties of our poorly paid class and lower grade Indian stuff on the railways, many of whom have, I understand, already been served with notices for the termination of their services, while the European and Anglo-Indian officers enjoying the cream of the services, will go entirely unaffected. We fail to understand the logic of a scheme which, on the ground of inadequate financial resources, brings about unusually heavy hardship on the poorer grades of our employees only. In view of the state of mind of our lower stuff, we should not be surprised if the adoption of such a policy lead to serious results in the coming year.

The example quoted by the Honourable Member in connection with the question of a wages-cut is not at all convincing. It is no use trying to befool the House with proposals based on averages. We would like to know what net economies would be effected and what the Government think of a progressive and graduated cut in the salaries of all our staff drawing more than Rs. 100 per month, at rates varying from 5 to 25 per cent.

In conclusion, I want to emphasise that the whole system of railway administration needs thorough modification. Our rates policy is too full of confusion of principle and anomalies of practice. Our railway law needs thorough revision at an early date. Our financial arrangements require a careful scrutiny. And above all, there is the crying need of a co-ordination of different means of transport—railways, road motors, coastal and inland water carriers, and air vessels. We only hope, Sir, that wiser counsels will prevail upon the Government and a Committee will be appointed to examine the present position thoroughly and to recommend a comprehensive policy that would be in the best interests of the country.

Mr. Jagan Nath Aggarwal (Jullundur Division: Non-Muhammadan): Sir, by good fortune I have caught your eye, and at this late hour I have just a few observations to offer on the general aspect of the Railway Budget. I must confess that it is no pleasure to speak on this subject because this Budget is highly disappointing. When the last year's Budget was presented, I was of course not here but I read it. The Railway Member put his estimates at the high figure that we know and a note of warning was sounded from this side that depression was already upon us. We find we are now in the midst of the depression, but I

hope that we have passed through the worst part of it. But I submit that no real substantial attempt has been made to block up those small leakages at hundreds of places, through which leakages the resources or the income of the railways have escaped or have been frittered away.

The Honourable the Railway Member when he gave us a review of the whole situation took his stand upon the principle that it was not the large gaps, the blocking of which would enable him to conserve the resources of the railways, but the blocking up of the small openings in hundreds of places. From this review he turned his attention to various aspects of the case. The first one to which his attention was naturally drawn was the reduction in salaries. As a matter of fact one might as well point out that of the 100 crores or so, speaking roughly, of the income of the railways, about 66 crores are swallowed up by working expenses, so that if we can economise in that direction, we will be making a good net saving. Some of the observations which fell from my learned friend, Mr. Hoon, are matters to which the Railway Department may give very serious attention indeed. The administration of the railways is very top-heavy. Salaries have been worked up too high and though there were times when perhaps this was justifiable, at the present day when we are told that Indianisation is being adopted and we are thinking of economy in all directions, the suggestions of my Honourable friend will have to be very seriously considered, and when making new appointments we shall have to adopt a humble scale of salaries. It is well known that the scale of salaries in this country is unparalleled in the history of the world. We have nowhere such a high scale of salaries as in this country and a smaller scale may very well be adopted, at any rate for new entrants in the service. It is no use sticking to the old scale of pay. Formerly, you had Europeans enjoying that pay, but now you have Indians. Indianisation does not mean only the replacement of white people by brown people, but it means also the replacement of white people drawing big salaries by brown people drawing lesser salaries. So far as that aspect of the case is concerned, I submit that Indianisation has got a particular meaning and that seems to have been overlooked by the Railway Board up to the present time.

Then, Sir, there is one other aspect of the case which was just touched upon by the Honourable Member and dropped like a hot potato, this one, of reduction of salaries by say 10 per cent. We were told that if we were to reduce the salaries of these high people who draw in all about 2 crores, we would get 20 lakhs, and if we take the salaries of persons drawing Rs. 30 a month we will have some saving. But unless the Government of India were to curtail the salaries of all public employees in the various Departments, it could not be done on the Railways. That argument I should like to examine a little more in detail. The Railways insisted on having their own separate Budget and said that they did not want to be involved in the Budget of the Government of India. Then look at this position. The Railways are a commercial proposition; they are a business house. If they are in difficulties why should they insist that the public services under the Government of India should cut their coat according to their cloth? Why don't they begin? Let them give a lead to the Government of India and say, "This is the advantage we have by separation from you. We are framing a budget of our own. We are a commercial body and we know what business means and therefore we are going to cut our coat according to our cloth."

[Mr. Jagan Nath Aggarwal.]

Take a 25 per cent. reduction on the highest salaries, then 20 per cent. a little below, and then 5 per cent. and so on on a sliding scale. That is a thing which might, on a voluntary basis from the Railway Administration, come as a very good lead to the Government of India and to all other Administrations which are spending Departments. Now, Sir, the Honourable the Railway Member touched on the question of increase in rates and fares. There he had again a certain difficulty and he said, "If you increase the rates of the first class man, he walks down to the second class, and if you increase the rates of the second class man, he comes down to the third class," and there I was glad to find that my Honourable friend stopped in the third class. If everybody is in the third class, then what happens? What is my Honourable friend doing for this large accumulation of passengers in the third class? We find that about 88 per cent. of the travelling public travel in the third class. My friend leaves them alone. If Honourable Members sitting on the opposite Benches take the trouble of disguising themselves and walking into the third class waiting sheds to purchase a ticket and travel in a third class compartment, I am sure they will leave their Benches and come to this side, and they would support everything that I say. Let us examine this proposition. We have 88 per cent. of the people travelling in the third class, and if my friend, in spite of what he is doing for the first and second class passengers, is not able to attract passengers there, then I make a suggestion to him. Why not we walk into the third class ourselves? Provide all sorts of conveniences, all kind of comforts for them. At least give them fans in summer. Provide them with all reasonable comforts. See that the carriages are not overcrowded. At present human beings are closely packed together in these carriages even on a summer day. I say, recognise this fact. You are a commercial Department. That is not the case with regard to other Departments. Unfortunately the Railway Department seems to be so wooden. They should look upon it as a commercial proposition. Here is your largest customer, the third class passenger. What are you doing for him? The other day there was a question, is it proposed to provide fans for him and the reply was "oh, no". It was airily turned down. He is your largest customer. Why should you not provide him with all the facilities that you can provide? My point is a two-fold one. Look to it that the other classes, the first and second classes, come to the third class, and look to it that this third class man does not walk into the bus. Now that is the danger. My learned friend will have to see to this. I may mention that this is a serious danger which threatens them. In this House my submission would be that in the case of these third class men you must provide all these amenities and develop that third class as the predominating class on the railways. I am sure my Honourable friend will bear me out with his experience on the railways in Western countries. If any one travels there in any but the third class, people think that he must be a peer or an aristocrat, or somebody of that doubtful kind. Every man travels there in the third class. Let my friend develop the third class here on those lines. The amenities for a third class there are as good as for the highest classes here, except for sleeping accommodation. That is the line on which the convenience of the travelling public should be developed and we could possibly get more revenue.

Now, Sir, another danger which threatens them and which perhaps the railways are feeling the pinch of is the bus. I feel happy when I find

the railway being fared with this competition of the bus. I feel happy because that which you could not by one hundred years of agitation achieve from the Railway Administration, you get by the immediate prospect of competition with the bus and the road motor. Well, Sir, that is a proposition. If the road motor offers you facilities, takes you from your place and leaves you at your destination, without the trouble of having to change at a railway junction, going up and down from one platform to another, and then taking a tonga to your house, the railways should see to it that they offer equal or at any rate only slightly less conveniences to the travelling public. It is a commercial proposition. What did the railway people do when they were faced with competition on the Simla road? I may tell you from experience. The railway motor people are very obliging, have grown more obliging, more courteous indeed. In fact I have never known a railway man coming and asking if any one would like to travel by the rail motor. Thanks to the road motor, the railway people have grown very courteous there but I admire not the railway people, but I admire the road bus people. It is a matter of great pleasure indeed to have an alternative system of traffic. If you have an alternative system of traffic, you can meet the strikes and in times of trouble you have your alternative system to fall back upon. We know what happened in the Punjab when there was trouble in 1919. People were stranded and they could not travel unrestricted on the railway trains and there was no motor bus. Therefore it is a matter of pleasure for me to find a growth of road travelling in this country, and the railway should not look upon it as a matter which interferes with their legitimate work. This competition is good for everybody, and I can assure the Honourable the Railway Member that it will be good for him too, provided he looks upon it in that spirit.

Now, Sir, there is one other aspect of the matter which has to be examined. The railways, I am sorry to say, in the matter of carriage of goods, have no scientific system. We know, some years back, experiments were tried on coal. Reduction of freight on long distances resulted in increase of income. That experiment unfortunately had not been tried with regard to agricultural products. Latterly in the Punjab, this carriage of wheat, so to say, has been subsidised by the Punjab Government, one-third of the freight being paid as rebate. But I put it forward to them; if stocks of wheat are lying in the Punjab, should not the railways be the first to come forward with a proposition to carry them to Karachi and other ports at cheaper freights than to the intermediate stations? The railways can very well manipulate it and encourage the movement of goods from one place to another. For instance, *gur* may be carried to the different parts cheaper than sugar. You will encourage the industries of this country by a judicious system of freights. The railways can do a lot in this direction. Also as my friend has suggested, the railways being the biggest corporation, should buy their requirements in this country. This is a way in which the railways can develop the industries of this country. If the railway put forward a suggestion that the State should forego a portion of their share out of railway earnings, that is the way in which the railways should put forward their claim, that they are out to encourage the industries of the country and to train the people in the manufacture of so many other things which they are using. Just a few words with regard to two other matters which the Honourable the Railway Member mentioned in his speech yesterday. One was the question of Indianisation. On that subject, Sir, we are assured that a good deal has been done. I have not gone into the figures closely as all these bulky volumes were

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presented to us only the day before. But I have a grievance in this sense that the Memorandum itself mentions on page 8, paragraph 7:

"Experience has shown that except for the Transportation, Power and Mechanical Engineering Departments there is at present no difficulty in obtaining Indian recruits with the requisite qualifications."

That is a matter for disappointment that for the engineering services in our railways they have not been able to obtain any recruits. They have tried this system of apprentices, but it will be something like 1933 before they will be able to get any recruits. I submit respectfully that it is time that they tapped the resources of Indians in this direction, and I am sure they will be able to find recruits whom, with a little training, they will be able to bring up to the proper standard.

Then, Sir, lastly a word must be said with regard to the claims of Muslims in the railway services. That is a very delicate subject and one would not like to say much on it, but one is compelled to say this: that just now the State railways are not the close preserve of Hindus or Muslims but of Anglo-Indians quite out of all proportion to their numbers. If the Railway Member was out to put it forward as a matter of communal representation, then certainly he will have to adjust many other claims than those of Muslims. I wish my Muslim friends joy in being promised some preference in the railway services. But that is not the point. Being spoon-fed or having stilts to walk on is not good for ever. If he had merely laid it down as a proposition that for a certain number of years a certain percentage of Mussalmans would be taken, I could understand it. But when it is laid down that for all time to come a certain community will be given preference in a service, I submit a note of warning must be sounded against such a policy. It will be suicidal for the community as well as for the efficiency of the country. Let me point out one instance. Honourable gentlemen opposite must have noticed that a booking clerk in a railway station in England is able to dispose of three times the number of passengers than a similar clerk does here. The spectacle of a *Babu* lazily carrying on behind the window and getting irritated after issuing about fifteen or twenty tickets with a half a dozen more passengers hustling him is also familiar. I therefore feel that in this matter the claims of communalism should not weigh in the way they have weighed. If my Honourable friend was out to weigh communal considerations in the way he was doing, then he should have restricted the employment of Anglo-Indians for ten years at least to come, and then he should have given encouragement to the Muslims. That I could understand. But after the claims of the Muslims have been secured, the Parsis will come in with their claims, the Indian Christians will come in with their claims, and so many other communities will come in with their claims that it will be impossible to appease everybody. I wish at this stage to quote just a few words from a passage in a book, written not by an alarmist agitator but by a retired member of the Indian Civil Service. This is what he says in regard to these claims based on communal considerations:

"There is no doubt that once the communal system has taken hold of political life it completely overwhelms all other party divisions. In the Punjab it has very nearly killed Nationalism. In that Province communalism is seen at its worst, for no question arises of protecting a small and weak minority but rather of making peace between three sturdy groups, Muhammadans, Hindus and Sikhs, and the last two nearly equal the first. Though the Moslems began the demand for community representation, the Hindus are apt pupils in the areas where they are in a minority."

Further on he says :

• “The only possible argument for the introduction of the communal system is that it has been demanded, and in India the Moslem's claim was supported by the Indian Congress of 1916 in order to give an appearance of national unity. They could have done no greater disservice to the Indian nation or to their creed of nationalism. They forced the late Mr. Montagu, very much against his will, to embody the principle in his scheme, and the principle having been accepted it had to be extended, sometimes in a modified form, so as to include Sikhs, Anglo-Indians and Europeans, Indian Christians in Madras and non-Brahmans. Future historians will possibly accuse the English of having introduced the system with deliberate malice, like a retreating army poisoning the wells behind it. This will not be true. The churning of the ocean has begun, and one of the first products is certainly not the nectar which is to make India live for ever.”

Dr. A. Suhrawardy: What is the name of the author, please?

Mr. Jagan Nath Aggarwal: Mr. G. T. Garratt, I.C.S. (Retired) and the book is “An Indian Commentary”. I would therefore submit that in this connection this lesson has to be taken to heart. By all means push a community, but by no means on communal considerations.

The Honourable Sir George Kainy: As is usual, Sir, upon this occasion, the discussion has been somewhat discursive, in which we have covered a good deal of ground. I am afraid it will not be possible for me, within any reasonable limits of time, to attempt to reply to everything that has been said.

Perhaps I may begin with the complaint made by one or two Members as to the very short time that passes between the introduction of the Budget and the date of the general discussion. So long as the Railway Budget has to be dealt with in the cold weather Session I honestly do not see how to get rid of that difficulty, because we are pinned down between two dates, the date by which the Railway Budget must be got out of the way in order to make room for the General Budget, and the earliest date on which it is possible to have the Budget ready, having regard to the proceedings of the Standing Finance Committee. Everything else has to be fitted in between these two dates, and I quite admit that it is rather a tight fit. I regret it myself, but I do not see how under the present system we are to avoid it.

Having disposed of that preliminary point, I think perhaps I might come to the opening speech of the discussion, made by my Honourable friend, Mr. Ranga Iyer. After his opening words, in which he said he could not find it in his heart to congratulate me, I was never more surprised in my life than to hear what immediately followed, because I found myself presented in a position which had never occurred to me in my wildest imagination. I was told that generations yet unborn would hold my name in abhorrence and cover it with execration on account of my communal policy, while on the other hand it was to be held in high honour on account of the reductions in pay. Now, Sir, I fear I cannot assert any just title to either the execration or the honour. The plain fact of the matter is, there is no question of any new policy, and in my speech I said in so many words that what the special inquiries had disclosed was that adequate efforts were not being made to carry out the declared policy of Government. What that policy is, every Member of the House knows. Hardly a week passes in this House, in which a question does not appear on the paper on that very subject, and the answer given is always the same. It is that policy to which I was referring. There is

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no question at all of the Railway Member suddenly emerging upon the scene with a brand new policy of his own.

Now, Sir, before I go on to the main topics of the discussion, it might be convenient if I were to attempt to dispose of a certain number of quite minor points that were mentioned by various speakers. For instance, my Honourable friend, Mr. Ranga Iyer, wanted information about the pay of railway servants in other countries. I will certainly see whether I can get any information for him. Another point to which he drew attention was the promise I gave in 1929 about the pay of teachers in higher English schools in the East Indian Railway. I do not want to deal with that point today because there is a question on the paper, and I think it will be easier to give the information when that question is put.

My Honourable friend, Mr. Maswood Ahmad, in addition to his complaint about the insufficiency of time allowed to him to study the Budget papers—but I think it must have been the general feeling of the House that he seemed to have made very good use of his time and had mastered the figures rapidly and competently—raised several other points, on which I cannot but be interested, coming, as I do, from Bihar and Orissa, about the speed of trains and the number of trains between Gaya and Patna, and also about the Patna-Ranchi service. I will not attempt to discuss these here, but I will certainly have the points which he has raised examined.

Then my friend, Mr. Yamin Khan,—and I should like to thank him for the warm support he gave us and for his appreciative references to the Railway Department,—raised two points, which I have specially noted. One was about the construction of more sheds for passengers on island platforms, and the other was about the rates of freights on petrol. As regards the former, I can very well understand that where sheds are absent, it may cause a very considerable hardship, for I remember very well disembarking at Jhansi, having to change carriages at the end of June at 2 o'clock just before the monsoon broke, and I know exactly what I felt on that occasion. Only I am afraid the present is not a propitious moment to undertake even small works of that kind, and while we shall keep it in mind, I am afraid we shall not be able to make any very rapid progress.

As regards the freight on petrol, I think the Honourable Member has forgotten that it is only about two years since we made a big reduction in the freight on petrol, and in the second place, when I am in search of revenue, I am in search of articles the traffic in which will not only continue but perhaps increase, even if the freight is raised. All he said about the rapid growth in the consumption of petrol rather suggested to me that perhaps there was a hen roost here that would bear a little robbing.

Then my friend from Burma said that I had not said even a word about the freight on rice, but as a matter of fact I think there were about six words, in my budget speech at any rate there was one sentence in which I said we were awaiting a report from the Agent of the Burma Railways. I have ascertained that the report has just come in, and it will be examined as rapidly as possible and we shall see whether there is anything to be done.

I am afraid I shall not have time to go into what my friend, Mr. Amar Nath Dutt, said about the Bankura-Damodar Railway or about the Peninsula Locomotive Company, but I should like to say a word about the cost of underframes. That is a matter which on two or three occasions I have carefully investigated myself to make sure what the position was, and I was quite satisfied that, by making the underframes in our own works, we were saving money. As far as I could see, there could be no question about that.

Then finally, coming to the last of my small points, my friend, Mr. Aggarwal, I thought, was a little ungracious on the question of Indianization. He said "Ah, it is all very well, but it seems very strange that in the Transport (Power) and Mechanical Engineering Departments there should be such a difficulty in obtaining suitable Indian candidates". In fact, there is such a difficulty, and I cannot help it, for I did not make the difficulties. But what I did do was to give my warmest support to the special effort made by Mr. Hayman in order to obtain, if that were possible, satisfactory Indian recruits or recruits whom we could train up to the necessary standard. Our efforts have been successful, and I think we are entitled to a little congratulation.

Now, Sir, I must deal, as briefly as I can, with the important questions raised in this discussion. One very important point affecting the question of economy relates to the pay of the services and the possibility of a cut in wages and salaries. One or two speakers rather tended to suggest that I had myself made a proposal for a cut. I think if Honourable Members will read my speech again, they will see that I refrained from doing so. I said that a cut in wages and salaries was a possibility which we might have to face, but I did not say that Government had any present intention of reducing pay, and my figure of 10 per cent. was purely illustrative.

With reference to what fell from my Honourable friend, Mr. Ranga Iyer, I should like to explain why on one point I interrupted him. It was for this reason, that, as far as I could hear him, I thought he was suggesting that I had proposed a cut in the pay of gazetted officers and upper subordinates only. As the term "upper subordinates" is ordinarily used, it is limited to subordinates on pay of Rs. 250 a month and upwards, or on scales of pay rising to Rs. 250 a month. Where I drew a line in my speech, in so far as I did draw a line, was between the people on less than Rs. 30 a month and the people on more than Rs. 30 a month. That is rather a different line. What I tried to bring out in my Budget speech was this that, if for financial reasons it became necessary to make a substantial saving by a reduction in pay, it was not possible to limit that reduction merely to the gazetted officers and the upper subordinates. We should have to come right down the scale pretty nearly to Rs. 30 a month. Now, an attempt has been made during the discussion to meet that argument by saying, "Oh, it would be quite possible to make a 25 per cent. in the pay of the gazetted officers and the upper subordinates, and then it would not be necessary to touch anybody else". Frankly, I must say I do not see how on any principles of justice and equity, a proposal of that kind could be justified. What has been the effect of the fall in prices? What class of officers has benefited directly by a reduction in the cost of living? Is it the highly paid officers or the lower paid establishments who are better off today than they were a year ago? I think there can be only one answer, for the immediate effect of the fall in prices has been of

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substantial benefit to the lower paid servants. In the face of that fact it is impossible to contemplate a proposition that there shall be a very big reduction in the salaries of the highly paid officers and none at all lower down. On the other hand, my friend Mr. Hoon from the United Provinces,—and I should like to congratulate him, I do not know whether it was his maiden speech, but it is the first speech I had heard from him—suggested that Indianisation ought to be considered as a measure of economy, and that the time had come to consider whether, for future entrants, the scale of salaries ought not to be reconsidered. There I think he was making a very valuable contribution to the discussion, but though in the future, there might be very considerable economies to be derived from a measure of that kind, they are not immediately and readily available, for we cannot summarily reduce the pay of the existing officers to the scale which we think appropriate for new recruits. We have to keep faith with the officers already in the service.

Another important question which was referred to by two or three speakers was a reduction in the freight on agricultural produce and the rating policy generally. Now, I did not mean to convey, in anything that I said in my speech introducing the Budget, that I regarded the existing system of rates and fares as the best possible and incapable of any change with advantage. My own personal point of view has always been that, since India is mainly an agricultural country, and the great bulk of the clients of the railways are, in fact, cultivators, cheap transport for agricultural produce must be a matter of first class importance. But the practical problem I have had to face during the last few months has been whether, having regard to the financial circumstances of the railways and to the difficulties in which we are placed, such a reduction could be made at the present juncture. That, I think, the House will recognise is a different question. The conclusion at which I stated we had arrived was that, at the moment, it was not feasible, but I undertook both in the case of oilseeds and of cotton that the matter would be kept under observation, and that the case of cotton would be specially examined at the end of six months.

My Honourable friend, Dr. Ziauddin Ahmad, dealt with so many topics that I am afraid I shall not be able to do justice to anything like all of them. On the question of retrenchment he made one or two suggestions, and I daresay when the cuts are moved next week I may have to deal with some of them again. One of the suggestions was that the Railway Board could perfectly well be manned by four Members instead of five. If I am sure of anything, I am sure that it could not, and I think I have had rather more opportunity of seeing the work of the Railway Board at close quarters than perhaps anybody else in this House. If any Member thinks that any Member of the Board is a kind of drone instead of being a working bee and sits and does nothing, I can assure him that he is mistaken. Especially on the personnel side, where the work cannot diminish but is more likely to increase, with many new questions arising out of the Labour Commission and the reorganisations of establishments, there is no doubt at all that these problems are going to give us twice and even three or four times as much trouble and work in the future as they did, say, ten years ago. I think I ought, at any rate, to make my own position clear about it.

Then, another point of retrenchment that was mentioned was the possible abolition of the Publicity Department. My view about the Publicity Department is just this. I regard it a cat and I keep it to catch mice. If the cat does not catch any mice, then I won't keep it; but if it does catch mice in the shape of tourists who contribute handsomely to my revenues, then I will continue to keep it, and I hope the House will agree with me that that is the common-sense view of that particular question. Certainly, we do not intend to keep a cat that will sit at home and purr and never catch any mice. One suggestion was made which I rather regretted, because I do not think it is a fair suggestion—that we were constantly creating special appointments, not because the appointment was needed but because we wanted to provide a job for a particular officer. I repudiate that, for I do not think it is either fair or accurate. There was one other suggestion for economy I should like to mention here, namely, that the special Standardisation Office might well be discontinued. I should regard the abolition of that office as wanton extravagance, because I hope for more economies eventually from that office than from almost anything else. If each railway has its own type of wagons, its own type of locomotives, its own type of spare parts and all the various other railway appliances, all the spare parts have to be manufactured in small quantities, each of them to a special order, and then our costs must be high. But if we can standardise and reduce the number of spare parts to one-fifth or one-sixth of what would otherwise be required, then we can get mass production with low costs. I do definitely think that the existence of the Standardisation Department ought to be a real measure of economy and ought to produce very important results.

Dr. Ziauddin Ahmad: Have they done anything?

The Honourable Sir George Rainy: I will not dwell on the fairy tale that Mr. Parsons defies the authority alike of the Finance Member and the Railway Board, or perhaps, more ingeniously sets one off against the other, and is thereby enabled to pursue his path untrammelled—I say I will pass it by, because, after all, it is only a fairy tale, and I will come to my Honourable friend, Mr. Das. Mr. Das admitted to us that he had not heard my speech introducing the Railway Budget, and that, no doubt was his misfortune. But the impression left on my mind by his speech was that he had not read it either and that was his fault. (Laughter). It seemed to me, that, as a result of not having perused the document, he was a little hard put to it in trying to put his speech together. Still, with the aid of quotations from the reforms Despatch and speculations as to the future constitution, I think he lasted out his full time. I will not pursue him into the constitutional by-path except merely to say this, that though he detected some inconsistency between my speech on Tuesday and the Despatch on constitutional reforms, after having compared the two documents I confess I cannot see it, and therefore I will not dwell upon that.

Then, my Honourable friend, Mr. Shahani, made some points, to some of which I have already referred, such as the Standardisation Office and the Publicity Department. I forgot to mention in connection with publicity one point, and that is, that the *Indian State Railway Magazine* more than pays its way; it is bringing in a little revenue, and it is not a source of

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expenditure to us at all. I did not quite follow what Mr. Shahani said about the contribution to General Revenues. I know from experience myself that the rather complicated arrangements in connection with that contribution are a little puzzling, and the impression I got was that perhaps he had not quite got to the bottom of the mystery. I know when you compare one year with another the contribution seems to have gone up when you think it ought to have gone down, and gone down when you think it ought to have gone up. But, of course, all these figures are checked by the audit and accounts authorities, and they actually are in accordance with what was settled in the separation convention.

I think, Sir, that what I have said very nearly covers all that I can say, and I will not delay the House any longer. But I should, like, before I sit down, to thank Honourable Members for the frankness with which they have put forward their suggestions, and to say that all the suggestions, from whatever sources they may emanate, will certainly be examined and we shall see whether we could get some good from them. (Applause.)

The Assembly then adjourned till Eleven of the Clock on Monday, the 28rd February, 1931.

LEGISLATIVE ASSEMBLY.

Monday, 23rd February, 1931.

The Assembly met in the Assembly Chamber of the Council House at Eleven of the Clock, Mr. President in the Chair.

MEMBER SWORN:

Captain Sher Muhammad Khan Gakhar, M.L.A. (Nominated Non-Official).

QUESTIONS AND ANSWERS.

PAY OF TEACHERS IN RAILWAY SCHOOLS.

619. ***Mr. C. S. Ranga Iyer:** Will Government be pleased to state:

- (a) if they are aware that the Honourable Member for Railways, Sir George Rainy, stated in the Assembly on the 21st February, 1929, that "It is our intention that without waiting for the transfer of schools the pay of the existing teachers in the railway schools should be raised to the level prevailing in the province in which the school is situated";
- (b) if any action has been taken in pursuance of the assurance of Sir George Rainy in the matter of raising the salary of the teaching staff of the East Indian Railway Middle Schools to the level of salaries prevailing in the Government schools of the provinces in which they lie;
- (c) if not, why not;
- (d) if any action will be taken; and if so, when?

Mr. A. A. L. Parsons: (a) Yes.

(b), (c) and (d). The Agent, East Indian Railway, was instructed in March, 1929, that the rates of pay in railway schools should be brought into line as early as possible with rates of pay in provincial Government schools of the same standard, the rates of pay in any particular railway school being regulated by the rates of pay of teachers in schools of equivalent standard administered by the particular provincial Government concerned and the revised rates of pay being applied to the present teachers subject to their possessing educational qualifications equivalent to those laid down by the Governments concerned, for their teachers. The Agent, East Indian Railway, was subsequently instructed that the revised rates of pay should be given effect to from the 1st April, 1929. I have enquired from the Agent, East Indian Railway, to what extent these instructions, have resulted in the revision of pay of teachers in the East Indian Railway Middle Schools and am informed that no revision has been made, as the scales of pay in the Government Middle English Schools in

Bengal and Bihar and Orissa are lower than the scales in Railway schools and it was assumed, under a misapprehension, that there was no Government Middle English School in the United Provinces. It has now been ascertained that there is one such school. Steps will now be taken to ascertain the scales of pay in force in that school and any necessary revision of pay of the teachers in Middle English Schools of the East Indian Railway situated in the United Provinces will be given effect to from 1st April, 1929.

Mr. C. S. Ranga Iyer: I rise to thank the Honourable Mr. Parsons for the answer he gave on behalf of some of my constituents.

Mr. President: That is not a supplementary question.

RECRUITMENT TO CERTAIN ACCOUNTS OFFICES.

620. ***Mr. Bhuput Sing:** Referring to the "Rules for the recruitment of clerks by competitive examination for the offices of (1) Accountant General, Central Revenues, (2) Accountant General, Posts and Telegraphs, Delhi, (3) Deputy Accountant General, Posts and Telegraphs, Delhi, (4) Pay and Accounts Officer, Delhi Civil Administration, Delhi, (5) Pay and Accounts Officer, Secretariat, New Delhi, and (6) Central Accounts Officer, P. W. D., New Delhi," over the signature of Mr. J. F. Mitchell, Accountant General, Central Revenues, New Delhi, dated the 2nd December, 1930, will Government be pleased to state:

- (a) whether most of the offices mentioned in that document are not under the direct control and management of the Government of India;
- (b) if so, the reason or reasons for which recruitment is restricted to residents of *only* the United Provinces, the Delhi Province and the Punjab to the exclusion of those of other Indian Provinces;
- (c) whether Muslims and Sikhs are given one division lower than Hindus; if so, why; and
- (d) whether Anglo-Indians and Indian Christians are also treated similarly; and if so, why?

The Honourable Sir George Schuster: Enquiry is being made and a reply will be sent to the Honourable Member as soon as possible.

MURDER IN IRAQ DURING THE WAR OF THREE INDIAN OFFICERS.

621. ***Mr. Bhuput Sing:** Referring to the answer given to my unstarred question No. 92 published in the Legislative Assembly Debates of the 28th January, 1931, will Government be pleased to state:

- (a) the names of the offending soldiers;
- (b) the cause or causes for which they were provoked to take the step;
- (c) whether there was any formal or official inquiry into the incident;
- (d) the nature of punishment meted out to the offending persons;
- (e) the full text of the two telegrams mentioned in the reply; and
- (f) whether the incident has been chronicled anywhere but in the two telegrams?

Mr. G. M. Young: (a) Naik S. C. Choudhury and Sepoy Sutrunar Sidhanta.

(b) The murder was apparently due to private jealousies and resentment of discipline.

(c) Yes: the usual procedure was adopted of a Court of Inquiry followed by a Court-martial.

(d) They were hanged.

(e) These telegrams were merely reports of the occurrence to higher military authority. One is no longer traceable, but I can show a copy of the other to the Honourable Member if he so desires.

(f) A full account of the incident is contained in the proceedings of the Court of Inquiry and in those of the trial by Court-martial.

EX-MEMBERS OF THE LEGISLATIVE ASSEMBLY SENT TO JAIL.

622. ***Mr. Bhuput Sing:** Will Government be pleased to state:

(a) the number of ex-M. L. As. that went to jail during the civil disobedience movement;

(b) the classes in which such ex-M. L. As. have been put in jails;

(c) the names of such ex-M. L. As.?

The Honourable Sir James Orerar: Enquiries are being made and the results will be communicated to the Honourable Member.

PROMOTION OF INDIGENOUS INDUSTRIES.

623. ***Mr. M. N. Rao:** Will Government be pleased to state whether any provision is being made annually in the Budget for the promotion and encouragement of infant and indigenous industries?

Mr. J. A. Shillidy: No, Sir. The development of industries is a provincial transferred subject.

NEWSPAPERS SUPPLIED TO POLITICAL PRISONERS.

624. ***Mr. A. Das:** (a) Will Government state as to what papers (newspapers) are supplied to "A" class prisoners in the various provinces and will they lay on the table of the House a statement showing the English and vernacular newspapers and magazines supplied in each province?

(b) Are Government aware that in the United Provinces only *Bharat* and *Illustrated Times of India* weekly are supplied, while in other provinces *Times of India* daily, the *Statesman* and the *Pioneer* are supplied?

(c) Are Government prepared to ask the United Provinces Government why they do not allow an English daily to be supplied to such convicts?

The Honourable Sir James Orerar: (a) and (b). I have no information as to the newspapers supplied to "A" class prisoners in the various provinces. The general principle to be observed has been laid down by the Government of India in their communiqué of the 19th February, 1930. Rules and orders made in pursuance of this are within the discretion of the Local Governments.

(c) No.

CLASS OF TRAVELLING ACCOMMODATION PROVIDED FOR "A" CLASS PRISONERS.

625. ***Mr. A. Das:** (a) Are Government aware that in some cases "A" class prisoners are allowed to travel in higher classes while others are forced to travel in third class only?

(b) Have Government considered the advisability of introducing for all Provinces a uniform rule of allowing such prisoners to travel intermediate class at Government expense and in higher classes, if they so desire on payment of the extra fare?

The Honourable Sir James Crerar: The Honourable Member is aware that "Prisons" under the Devolution Rules is a provincial subject and that the matters on which he asks for information are primarily the concern of Local Governments. I will, however, endeavour to obtain the information and let him have it in due course.

REPRESENTATION OF MUSLIMS IN RAILWAY SERVICES.

626. ***Khan Bahadur H. M. Walayatullah:** (a) Is it not a fact that Mr. Parsons, in reply to starred question No. 6 by Mr. A. H. Ghuznavi in the Delhi Session of 1930, said that the prevention of undue preponderance of any community in the services, the security of adequate representation of minority communities and the removal of the existing communal inequalities, was the keystone of Government policy?

(b) What steps have Government taken to remove the existing inequalities?

(c) Have Government instituted any inquiry about the position of the Mussalmans in the various State-owned railway services?

(d) If so, will Government be pleased to lay the reports on the table?

Mr. A. A. L. Parsons: (a) The policy of Government is to secure adequate representation of minority communities. The rule is that where recruitment is conducted by means of competitive examinations, one-third of the vacancies are reserved for the redress of marked communal inequalities. Where recruitment is carried on otherwise than by competitive examination, steps are to be taken to prevent an undue preponderance of any one class or community.

(b), (c) and (d). I would invite the Honourable Member's attention to the pamphlet on the subject of Muslim representation in the railway services which was circulated a few days ago to Members of the House.

RECRUITMENT OF MUSLIMS ON THE NORTH WESTERN RAILWAY.

627. ***Khan Bahadur H. M. Walayatullah:** (a) Are Government aware that Syed Md. Ashrafuddin Khan Sahib, Vice-President, Anjuman Islamia, Kohat, submitted a memorial to the Divisional Superintendent, North Western Railway, Rawalpindi, about the recruitment of Mussalmans?

(b) What action, if any, did the Superintendent take on this memorial?

Mr. A. A. L. Parsons: (a) Yes.

(b) I have called for information from the Agent, North Western Railway, and will communicate with the Honourable Member on its receipt.

Dr. Ziauddin Ahmad: Will the Honourable Member lay it on the table for the benefit of other Members?

Mr. A. A. L. Parsons: Since other Members wish to have it, I am quite prepared to lay it on the table.

SPECIAL BOARD FOR THE APPOINTMENT OF ROLLING STOCK OFFICERS.

628. *Khan Bahadur H. M. Walayatullah: (a) Are Government contemplating the appointment of a Special Board at Peshawar for the selection of candidates for appointment as Assistant Rolling Stock Officers?

(b) How many members will there be on the Board?

(c) How many of them will be Mussalmans?

Mr. A. A. L. Parsons: (a) No.

(b) and (c). Do not arise.

SAFEGUARDING OF THE INTERESTS OF MINORITY COMMUNITIES IN APPOINTMENTS IN THE OFFICE OF THE HIGH COMMISSIONER FOR INDIA IN LONDON.

629. *Khan Bahadur H. M. Walayatullah: (a) Will Government be pleased to lay on the table a statement showing the total number of employees in the office of the High Commissioner for India in London by communities?

(b) How are the appointments made?

(c) Is any precaution taken to safeguard the interests of the minority communities?

(d) How many superior appointments were made in 1930-31 and how many went to each community?

The Honourable Sir George Rainy: (a) A statement is laid on the table.

(b) Appointments of officers deputed from India are made by the Government of India by the selection of suitable officers from the Indian services. Other appointments are made by the High Commissioner either by promotion or by selection from a list of candidates maintained by him.

(c) In making appointments due regard is had to this consideration.

(d) Three new superior appointments have so far been made during 1930-31 and one European, one Sikh and one Hindu have been appointed to the posts.

Statement showing the total number of employees (excluding industrials and menials) in the office of the High Commissioner for India in London by communities on the 1st January, 1931.

Communities.	Number.
Europeans	367
Hindus	37
Muslims	5
Other communities (including Anglo-Indians)	27
Total	436

There are, in addition, two Indian messengers employed at India House.

DISPOSAL OF ARTICLES IN THE TOSHAKHANA.

630. *Khan Bahadur H. M. Walayatullah: (a) Are articles in the *Toshakhana* disposed of after the departure of each Viceroy?

(b) If so, what is the procedure followed for their disposal?

Mr. J. G. Acheson: (a) No.

(b) Does not arise.

POWERS DELEGATED TO CERTAIN OFFICERS IN CONNECTION WITH SCHEMES ON THE NORTH WESTERN RAILWAY.

631. *Shaikh Sadiq Hasan: Will Government be pleased to state:

(a) (i) what powers were delegated to Khan Bahadur Zikariyah Khan in connection with the Local Scheme over the North Western Railway; (ii) how many men were given to him for the Procedure Section and how many were engaged by him; and (iii) how much expenditure was sanctioned for that scheme and how much was actually given to him;

(b) (i) what powers have been delegated to Rai Bahadur Faqir Chand in connection with the same scheme over the North Western Railway; (ii) how many men have been given to him for the Procedure Section and how many have been engaged by him; and (iii) how much provision in the sanctioned budget has been given to Rai Bahadur Faqir Chand for the same scheme?

Mr. A. A. L. Parsons: (a) (i) No powers were delegated to Khan Bahadur Ghulam Zakariah Khan, as he has been employed as assistant to another officer.

(ii) The following temporary staff was sanctioned and actually employed to assist the officer then in charge of the schemes for the four State railways:

1 Accounts Officer (held by Khan Bahadur Ghulam Zakariah Khan).

1 Senior Inspector of Station Accounts.

1 Clerk Class I.

1 Typist.

(iii) Rs. 26,000 chargeable to 12 Miscellaneous Railway Expenditure during the year 1930-31 for the four State railways. In addition to this, provision was made in the Budget of the North Western Railway, for four temporary posts of Assistant Accounts Officers employed as Divisional Traffic Accounts officers under the Chief Accounts Officer, North Western Railway.

(b) (i) Powers to appoint, promote, transfer, grant leave, and discharge purely temporary clerical staff and to incur contingent expenditure for his office.

(ii) The following staff was sanctioned and actually employed for the North Western Railway Scheme:

- 1 Assistant Accounts Officer,
- 1 Accountant Grade II,
- 1 Senior Subhead,
- 1 Clerk Class I,
- 1 Typist.

Except the post of typist all other posts were filled by permanent staff drawn from the Railway Department. The posts themselves were temporary.

(iii) The expenditure against the grant for Local Traffic Scheme is controlled by Mr. Scott, Officer-in-Charge of the various schemes and no separate allotment has been made to Raj Bahadur Faqir Chand.

NON-GRANT OF LEAVE IN THE MACHINE SECTION OF THE RAILWAY CLEARING ACCOUNTS OFFICE.

632. ***Shaikh Sadiq Hasan:** (a) Will Government be pleased to lay on the table a statement showing the sanctioned and working strength respectively for each sub-section of the Machine Section in the Railway Clearing Accounts Office?

(b) Are Government aware of the fact that all the men appointed against the leave reserve vacancy of other than the Clearing House have been absorbed in the Machine Section with the result that the clerks are not given privilege leave or, if given, to a very limited extent?

Mr. A. A. L. Parsons: (a) A statement is laid on the table.

(b) No clerk from the leave reserve of other than the Clearing House sub-section has ever been employed in the Machines Section. There is no instance of any man being refused leave since April, 1930, the date from which the other than Clearing House sub-section was attached to the Machines Bureau.

Statements showing the sanctioned and working strength respectively for each Sub-section of Machine Branch in the Railway Clearing Accounts Office.

Name of sub-section.	Sanctioned strength.	Men actually working.	More.	Less.	Remarks.
Machines (proper)	79	90	11	..	} The transfer of 11 men from Statistics to Machine Section is owing to the fact that the Statistics relating to E. I., E. B., G. I. P., N.W. and B., B. and C.I. Railways are being compiled in the latter section.
Statistics	88	77	..	11	
Worked Lines	31	31	..	..
O. C. H. Goods	32	32	..	..
Total	230	230	..	..

ADVERTISING APPOINTMENTS FOR THE RATE EXPERIMENT OFFICE IN THE
GREAT INDIAN PENINSULA AND EAST INDIAN RAILWAYS.

633. ***Shaikh Sadiq Hasan**: Will Government be pleased to state:

- (a) whether any advertisement was made at the time of recruitment for the Rate Experiment of the Great Indian Peninsula and East Indian Railways;
- (b) if made, in which newspaper and on what date;
- (c) if the reply to part (a) be in negative, (i) the reasons for not making any advertisement in newspapers; (ii) the method adopted to safeguard the interests of minorities; (iii) any action taken against the officer in charge of the scheme for not following the Government policy? If no action was taken, what are the reasons.

Mr. A. A. L. Parsons: (a) No.

(b) Does not arise.

(c) (i) The staff recruited for the Rates Register experiment was composed partly of trained men taken over from the Railway Clearing Accounts Office and partly of temporary staff liable to discharge on 24 hours' notice. It is not usual to advertise for such temporary staff in the newspapers, because they have no right to be appointed permanently.

(c) (ii) and (iii). Of the 79 men on the temporary staff recruited from outside, 42 are Hindus, 30 Muslims, 5 Sikhs and 2 Christians. These figures are enough to show that the interests of minorities and particularly of Muslims, have been adequately safeguarded, and that the allegation made by the Honourable Member against the officer in charge of the scheme is quite unfounded.

EMPLOYMENT OF MUSLIMS ON THE EAST INDIAN RAILWAY.

634. ***Shaikh Sadiq Hasan**: (a) Will Government be pleased to state the total number of Muslims in the ministerial establishment of the East Indian Railway (entire system and the headquarter's offices separately) and their percentage to the total number of such employees?

(b) Is it a fact that the proposals for reduction of staff are under the consideration of the East Indian Railway Administration? If the answer be in affirmative, will Government be pleased to state the basis or criterion according to which the said reduction is to be made?

(c) Is it a fact that Muslims are in a hopeless minority on the East Indian Railway system generally and the headquarter's offices specially? If so, will Government be pleased to state what steps they propose to take in order to ensure that the Muslim minority is not reduced any further on account of the said reduction?

(d) Is it a fact that it is contemplated to do away with the services of junior men only and not to retire people near the superannuation age? If so, have Government made sure that such a principle of reduction will affect the Muslim community rather adversely? If not what safeguards do Government propose to take in order to protect the interests of the Muslim employees?

Mr. A. A. L. Parsons: (a) Government regret that they are not prepared to supplement with figures for particular classes of posts the information in regard to communal representation in railway services given in the annual Administration Report on Indian Railways.

(b) Yes. The principles which the Railway Board have laid down to govern the selection of individuals for discharge are as follows:

“The first men to be discharged are those who are inefficient. Then those who are the least efficient. Then those who have short service and among them permanent employees should ordinarily be retained in preference to temporary employees, and then those nearing the age of superannuation.”

(c) I have no figures of Muslims in the head office of the East Indian Railway but of about 150 thousand employees on that railway at the beginning of the year, 31 thousand, or about 21 per cent., were Muslims. The Railway Board are considering what steps should be taken to see that the unfortunate necessity for reducing staff does not operate to the detriment of communities not at present adequately represented in railway services.

(d) I think that I have answered these inquiries in my replies to the previous portions of the Honourable Member's question.

Mr. Muhammad Anwar-ul-Aziz: May I ask the Honourable Member whether it is the policy of his Department to take in inefficient people when they make up the representation of minority communities?

Mr. A. A. L. Parsons: No, Sir.

EMPLOYMENT OF MUSLIMS ON THE NORTH WESTERN RAILWAY.

635. ***Shaikh Sadiq Hasan:** Will Government be pleased to state how many lower gazetted posts have been created on the North Western Railway in 1930:

- (a) in the Commercial Department,
- (b) in the Transportation Department,
- (c) in the Way and Works Department,
- (d) in the Mechanical Department,

and how many of these posts have been given to Indians—(i) Muslims and (ii) Non-Muslims?

Mr. A. A. L. Parsons: I would invite attention of the Honourable Member to the reply given by me on the 3rd February, 1931, to Seth Haji Abdoolah Haroon's question No. 343.

The recommendations of the Agent, North Western Railway, have since been received and are under consideration by the Railway Board.

EMPLOYMENT OF MUSLIMS ON THE NORTH WESTERN RAILWAY.

636. ***Shaikh Sadiq Hasan:** Will Government be pleased to state how many Muslim Personnel Officers have been appointed on the North Western Railway during the year 1930 giving dates of their appointments?

Mr. A. A. L. Parsons: Two; one was appointed as officiating Assistant Personnel Officer on the 4th November, 1930, and another was posted as Divisional Personnel Officer on the 17th November, 1930.

ADOPTION OF THE ZAILDARI SYSTEM IN THE NORTH WEST FRONTIER PROVINCE.

637. *Shaikh Sadiq Hasan: (a) Will Government be pleased to state if it is a fact that the Zaildari system is adopted in only a few districts of the North West Frontier Province?

(b) If the reply to part (a) be in affirmative, will Government be pleased to state why this system is not adopted throughout the Province?

The Honourable Khan Bahadur Mian Sir Fazl-i-Husain: (a) Yes.

(b) Because it was not found necessary to do so.

Nawab Sir Sahibzada Abdul Qaiyum: A supplementary question, Sir. Has Government found this Zaildari system of any use in collecting revenues?

Mr. President: Will the Honourable Member speak a little loudly to enable me to follow his supplementary question?

Nawab Sir Sahibzada Abdul Qaiyum: I want to know, Sir, whether this Zaildari system has proved to be of any great use in the collection of revenues?

The Honourable Khan Bahadur Mian Sir Fazl-i-Husain: Where?

Nawab Sir Sahibzada Abdul Qaiyum: In the North West Frontier Province.

The Honourable Khan Bahadur Mian Sir Fazl-i-Husain: I should like to have notice of that question to find out the facts.

APPOINTMENT OF MUSLIMS IN THE GOVERNMENT TEST HOUSE, ALIPORE.

638. *Shaikh Sadiq Hasan: (a) Will Government be pleased to state the number and names of the gazetted officers attached to the Government Test House, Alipore?

(b) Will Government be pleased to state if any Muslim officers have so far been appointed in the Government Test House, Alipore? If the answer be in negative, are Government prepared to give the next vacancies to qualified Muslims?

Mr. J. A. Shillidy: (a) Five gazetted officers are at present employed at the Government Test House, Alipore. They are:

1. Mr. E. F. G. Gilmore, Superintendent, Government Test House, Alipore,
2. Mr. A. N. Chowdhuri, Physicist, Government Test House, Alipore,
3. Mr. N. N. Sen Gupta, Chemist, Government Test House, Alipore,
4. Mr. P. K. Sen, Assistant Chemist, Government Test House, Alipore, and
5. Mr. S. S. Sinha, Assistant Engineer, Government Test House, Alipore.

(b) Yes, a Muslim was appointed Assistant Engineer, but subsequently resigned the appointment. The second part of the question does not arise.

OWNERSHIP OF THE INDIAN MUSEUM, CALCUTTA.

639. ***Mr. S. C. Mitra:** (a) In regard to the answer to my starred question No. 1, dated the 26th January, 1931, in the Legislative Assembly stating "The mere fact that the cost of the building is met from Government funds is not enough to make it a Government institution", will Government please lay on the table the Preamble to Act 22 of 1876, and say from it whether *"it was also enacted that the Government of India should keep the said building in repair and pay and defray the salaries, allowances and pensions of the officers and servants, and all other expenses connected with the said Museum"*?

(b) Does the fact that the building of the Indian Museum was erected at the cost of the Government of India and the Government of India undertook to keep the said building in repair and pay and defray the salaries, allowances and pensions of the officers and servants, and all other expenses connected with the said Museum make it a Government institution? If not, why not?

(c) Was the salary of the late Head Clerk of the Indian Museum Trustees' Office, paid by the Government of India or by the Trustees of the Indian Museum from their own funds?

The Honourable Khan Bahadur Mian Sir Fazl-i-Husain: (a) The Honourable Member has quoted correctly from the Preamble to Act No. XXII of 1876, but that Act was repealed by section 17 of Act No. X of 1910. I do not, therefore, propose to lay a copy of the Preamble to the earlier Act, which is of no practical interest, on the table of the House.

(b) No. For the reasons I must refer the Honourable Member to the relevant provisions of the Indian Museum Act, No. X of 1910.

(c) The salary of the late Head Clerk of the office of the Trustees, Indian Museum, was paid by the Trustees from the grant-in-aid made to them by the Government of India.

CONDITIONS FOR PENSION FOR THE STAFF OF THE INDIAN MUSEUM, CALCUTTA.

640. ***Mr. S. C. Mitra:** (a) Under section 13 of Act X of 1910 are the members of the establishment of the Trustees of the Indian Museum eligible for pension according to the Civil Service Regulations?

(b) What are the conditions under which service qualifies for pension according to the Civil Service Regulations?

(c) Will Government please refer to chapter XLII, section I of the Civil Service Regulations and enumerate the conditions under which the employee of a Local Fund may get his pay and pension from the General Revenues?

(d) Do the Trustees of the Indian Museum fulfil the conditions laid down in article 802 of the Civil Service Regulations for the grant of pension to their officers and servants from the General Revenues?

The Honourable Khan Bahadur Mian Sir Fazl-i-Husain: (a) Yes. .

(b) The Honourable Member is referred to Chapter XVI of the Civil Service Regulations, a copy of which is available in the Library of the House.

(c) The conditions are set out in article 802 of the Civil Service Regulations.

(d) No.

REDUCTION OF THE PAY OF THE HEAD CLERK OF THE TRUSTEES' OFFICE, INDIAN MUSEUM, CALCUTTA.

641. *Mr. S. C. Mitra: (a) Has the word "servant" been defined in Act X of 1910? If so, will Government please lay the definition on the table?

(b) Will Government please refer to article 36 of the Civil Service Regulations and say whether the holder of a ministerial post is an officer or a servant?

(c) Will Government please refer to rules 1 and 4 of the rules framed by the Secretary of State for India in Council under sub-section (2) of section 96B of the Government of India Act and say whether the holder of a ministerial office is an officer or a servant?

(d) Will Government please refer to Art. 61 (f) of the Civil Account Code and say whether a clerk is a servant?

(e) Whether the late Head Clerk of the Indian Museum was an officer?

(f) Will Government please refer to the answer to my starred question No. 2 (a) in the Legislative Assembly dated the 26th January, 1931, and say whether his pay can be reduced by the Trustees of the Indian Museum without the previous sanction of the Governor General in Council according to section 9(b) of Act X of 1910?

The Honourable Khan Bahadur Mian Sir Fazl-i-Husain: (a) The word "servant" is not defined in the Indian Museum Act, X of 1910. The second part of the question does not therefore arise.

(b), (c), (d) and (e). The word "officer" as used throughout the Civil Service Regulations is a compendious term which covers all Government servants, superior and inferior. The ministerial employees of the Indian Museum are classed as "servants" and not as "officers" for the purposes of the Indian Museum Act, X of 1910. The late Head Clerk of the Indian Museum was not therefore regarded as an officer.

(f) Yes.

REINSTATEMENT OF THE HEAD CLERK OF THE TRUSTEES' OFFICE, INDIAN MUSEUM, CALCUTTA.

642. *Mr. S. C. Mitra: (a) In regard to the answer to my starred question No. 3(b), dated the 26th January, 1931, in the Legislative Assembly stating that "The answer will depend upon the circumstances in which Government have fixed or have had a hand in fixing the conditions of service", will Government please lay on the table article 362 of the Civil Service Regulations and say whether there is any clause in the article that the determination of the conditions of service will depend upon the circumstances in which it is determined by Government?

(b) (i) Is service in the Indian Museum Trustees' Office Government service, and (ii) was the late Head Clerk a Government servant, and (iii) will Government consider his memorial for re-instatement?

The Honourable Khan Bahadur Mian Sir Fazl-i-Husain: (a) Government do not consider it necessary to place a copy of article 362 of the Civil Service Regulations on the table of the House as a copy of the Regulations is available in the Library. There is nothing to prevent Government from requiring that the terms of service of the staff of a private institution shall be regulated according to certain conditions, before they agree to give a grant-in-aid; and in such cases the service is not regarded as Government service merely because Government has had a hand in determining the conditions of service.

(b) (i) and (ii). No.

(iii) Government will consider his memorial when it is received.

POWERS OF THE TRUSTEES OF THE INDIAN MUSEUM, CALCUTTA.

643. ***Mr. S. C. Mitra:** In regard to the answer to parts (d) and (e) of my starred question No. 9, dated the 26th January, 1931, in the Assembly stating that the Trustees of the Indian Museum are empowered to re-appropriate from one head to another within the sanctioned budgeted grant and that this matter is not regulated by Act X of 1910, will Government please say under what other statute or Act the Trustees are invested with powers not contemplated or specified in Act X of 1910?

The Honourable Khan Bahadur Mian Sir Fazl-i-Husain: No statutory provision is necessary for the power of reappropriation referred to by the Honourable Member.

STAFF OF THE INDIAN MUSEUM, CALCUTTA.

644. ***Mr. S. C. Mitra:** (a) Will Government please refer to the answer to my starred question No. 3 (b) in the Assembly dated the 14th July, 1930, stating that the Estimates for Demand for the Central Government show a detailed statement of the number of staff, with their respective pay and a provision for leave salary of the establishment of the Trustees of the Indian Museum and the answer to my starred question No. 7 (a) in the Assembly dated the 26th January, 1931, stating that the Estimates for Demand for the Central Government *do not show* the details of the establishment of the Trustees of the Indian Museum?

(b) Will Government please say which of the answers is correct and why the other is wrong?

The Honourable Khan Bahadur Mian Sir Fazl-i-Husain: (a) and (b). I regret to say, Sir, that I have failed to trace not only any contradiction, but even any connection between the answer given to part 3(1)(b) of the question asked by him on the 14th July, 1930, to which the Honourable Member is evidently referring, and the answer given by me to part (a) of the Honourable Member's question No. 7 in this House on the 26th of last month. What the Honourable Member probably has in mind is sub-part (b) of part 3 of question No. 2 asked by him on the 14th July of 1930. Sub-part (b) of part 3 of question No. 2 asked by him on the 14th July, 1930, related to the Estimates for Demand for the Central

Government for 1930-31. Part (a) of his question No. 7 asked by him on the 26th January, 1931, related to the years 1926-27 and 1927-28. The answers given on behalf of Government in regard to the three years, 1926-27, 1927-28 and 1930-31, are correct.

In conclusion, Sir, I should like to invite the Honourable Member's attention to the fact that this is the 27th question that has been asked by the Honourable Member in this House relating to the dismissal of a clerk which appears to have taken place either in January, 1930 or before that. It is now for him to decide whether to pursue this controversy by way of interpellations.

Mr. S. C. Mitra: On a point of order, Sir, is the Honourable Member entitled to pass these remarks? He is not answering any part of my question now and is he entitled to make a speech?

Mr. President: It is obvious that no one is entitled to make a speech at question time. But the Honourable Member is trying to draw the attention of the House and of the Honourable Member to the series of questions which the Honourable Member has asked and which, I must say, that the Honourable Member is perfectly entitled to do.

Mr. S. C. Mitra: Am I not entitled to your protection, Sir? If you think that the questions are useless you may disallow them. Is it for the Honourable Member to say that because so many questions have been asked in the past—which, I may say have been answered most unsatisfactorily and evasively avoiding the real issue—that no more questions should be asked? Is he not questioning the powers of the President himself arrogating the right of deciding what should be asked or not?

Mr. President: I have already stated that the Honourable Member is entitled to pursue the subject by way of interpellations as much as he likes. The question whether they will be admitted or not rests with the President. If the Honourable Member is not satisfied with the replies given it is open to him to put supplementary questions to elicit further information.

The Honourable Khān Bahadur Mian Sir Fazl-i-Husain: I shall be delighted to answer any supplementary questions which the Honourable Member may wish to put to elucidate any answer that has been given to him. He seems to have taken amiss what I said in all sincerity and in all innocence. I only pointed out to him for his consideration whether it is worth while pursuing this controversy which cannot really lead to any result? I am saying nothing which is not easy to follow. If this controversy is to be pursued, I would have no difficulty whatsoever either in entering into it or in trying to satisfy the Honourable Member that this Head Clerk, who was dismissed by the employers some time in 1929 or before, has had his case thoroughly examined even by a court of law and has left no stone unturned to see that justice is done to him. His memorial when it is received will receive the utmost attention that my Department can give to it. But I really cannot tell the Honourable Member that when his memorial is received it will be accepted.

Mr. Gaya Prasad Singh: The Honourable Member is making a speech.

Mr. B. Das: May I ask the Honourable Member whether he is aware that the question which my friend Mr. Mitra is pursuing raises an important issue, namely, whether the Trustees have the power to dismiss

clerks? That question has been pursued not only this year but last year also. May I also ask the Honourable Member whether he pursued the discussion that took place in the Public Accounts Committee when his departmental Joint Secretary gave evidence before that Committee (*vide* pages 206-208 of the Report, Vol. II, 1928-29) and every Member of the Public Accounts Committee wanted to prove that the Trustees of the Indian Museum are incompetent? And that is the opinion of the Members of the Assembly also. Has the Honourable Member pursued that matter? Without doing so how can he say to my Honourable friend Mr. Mitra that the matter should not be further pursued?

The Honourable Khan Bahadur Mian Sir Fazl-i-Husain: That is exactly the point which the Honourable Member is interested in showing, namely, that the Trustees of a certain Museum are absolutely incompetent. My suggestion, which I ventured to offer to the Honourable Member and his supporters, was whether interpellations in the Assembly to the extent of 27 or more are not enough to invite the attention of the authorities to that aspect of the case. It is true that the members of the Trust are not represented here, but still that does not concern me. I daresay in a judicial court they have had an opportunity of showing what is right and what is wrong.

Mr. President: Order, order. I think the question is getting into a controversial discussion.

Mr. S. C. Mitra: Because of the speech of the Honourable Member.

Mr. President: There have been speeches on both sides of the House, but no speeches can be allowed at question time. The present occasion is one on which questions are put and answers given which may lead to supplementary questions. I hope the Honourable Members will respect the rules and Standing Orders which regulate the procedure.

CARRIAGE OF OFFICE RECORDS BETWEEN DELHI AND SIMLA.

645. ***Mr. P. G. Reddi:** (a) Will Government be pleased to explain why a contract for the carriage of office records from Delhi to Simla and *vice versa* in some of the offices of the Government of India is given? Why is the carriage of such records not done departmentally?

(b) Are Government prepared to issue instructions to such offices which still give the contract, not to give the contract of carriage in future?

(c) Is it a fact that the Legislative Department pays some honorarium to a clerk who does the carriage of office records of that Department?

(d) Is it a fact that such honorarium is not paid to any clerk in any other Departments?

(e) If so, why does this Department pay?

(f) Do Government propose to stop the payment of such honorarium in that Department also?

The Honourable Sir George Schuster: (a) to (f). I lay on the table a copy of the memorandum just issued to all Departments which covers all the points raised by the Honourable Member.

No. D./1423-1/2-Ex.-II.

GOVERNMENT OF INDIA.

FINANCE DEPARTMENT.

New Delhi, the 17th February, 1931.

OFFICE MEMORANDUM.

SUBJECT :—*Expenditure connected with the carriage of records of Departments of the Government of India between Delhi and Simla.*

In view of the ruling that the sanction of this Department is required when the expenditure connected with the carriage of records of a Department of the Government of India between Simla and Delhi exceeds Rs. 1,000, the Finance Department have had under consideration the question of delegating the power to sanction such expenditure to the several Departments of the Government of India and to such attached offices as move between Simla and Delhi. They have also had, in this connection, under consideration the connected question of the system of moving records between Simla and Delhi.

2. As there is general agreement that an outside contractor should not be employed for the carriage of Government records, and that there are substantial reasons, both technical and practical against the giving of contracts to Government servants, the contract system cannot continue in any form. Moreover Finance Department have ascertained by enquiring from Department that the system of carrying records departmentally has proved both practicable and economical.

3. This Department has, accordingly, decided to delegate to the several Departments of the Government of India and such of their attached offices as move with the headquarters of the Government of India the power to sanction expenditure exceeding Rs. 1,000 on the carriage of records on the conditions :

- (1) that the work is done departmentally and not entrusted to a contractor ;
- (2) that all payments, either to the railway or to the coolies, are made direct by the Department or office concerned under the direction of a responsible officer ; and
- (3) that no honoraria exceeding actual expenses are paid to any officials deputed to accompany the records in transit.

(Sd.) SITAL SINGH,

Offg. Under Secretary to the Government of India.

To

All Departments of the Government of India (excluding Railway Board).
The Central Board of Revenue.
The Financial Adviser, Military Finance.
The Private Secretary to His Excellency the Viceroy.
The Military Secretary to His Excellency the Viceroy.

No. D./1423-1/2-Ex.-II.

Copy forwarded to the Railway Department for information.

Copy also forwarded to the Pay and Accounts Officer, Secretariat, and the Audit Officer, Delhi Experiments.

By order, etc.,

(Sd.) J. C. GHOSH,

Attaché.

Mr. Gya Prasad Singh: Are Government aware that a clerk who was given this contract was subsequently prosecuted for defalcation and was dismissed from his service?

The Honourable Sir George Schuster: I am not at the present moment aware of any circumstance such as that referred to. But if my Honourable friend will look at the Memorandum which I have laid on the table he will see that the procedure for the future is being satisfactorily regulated.

INCONVENIENT LOCATION OF SHIPPING OFFICES IN CALCUTTA.

646. *Mr. D. K. Lahiri Chaudhury: (a) Are Government aware that there are two shipping offices in Calcutta—one at Strand Road and the other at Kidderpore?

(b) Are Government aware that the two Departments, *viz.*, the Shipping Department (at Strand Road, Calcutta) and the Continuous Discharge Certificate Department (at Kidderpore) are situated at a considerable distance from each other as a result whereof the Indian lascars are invariably put to immense trouble and inconvenience?

The Honourable Sir George Rainy: (a) Yes.

(b) Government are aware that the location of the Branch Shipping Office at Kidderpore at some distance from the Head Shipping Office causes a certain amount of inconvenience in the case of men proceeding to sea for the first time, in connection with the initial issue of their Continuous Discharge Certificates. For the majority of lascars other than these, however, the Branch Shipping Office is conveniently situated as they live mostly in that vicinity.

UNSATISFACTORY LOCATION OF THE CONTINUOUS DISCHARGE CERTIFICATE DEPARTMENT OF THE SHIPPING OFFICE, CALCUTTA.

647. *Mr. D. K. Lahiri Chaudhury: (a) Is it a fact that the Shipping Department at Kidderpore was transferred to the Calcutta office in 1917? If so, will Government be pleased to state the reasons that led them to allow the Continuous Discharge Certificate Department alone to remain in the big building at Kidderpore? Is the rent of that building enormously high, *viz.*, Rs. 4,220 a year?

(b) Are Government aware that the present office at Kidderpore is located amidst insanitary surroundings and that the members of the Department are often sick and some of them have actually contracted tuberculosis and eventually died of it?

The Honourable Sir George Rainy: (a) The Shipping Department at Kidderpore was transferred to the present premises in Calcutta in 1914. The Continuous Discharge Certificate Department was retained at Kidderpore owing to lack of space in the Head Shipping Office at Calcutta and increase in the work of registration and records at the Branch Office at Kidderpore. The building occupied by the Branch Office belongs to the Government of Bengal and the rent Rs. 4,320 per annum is calculated according to rules laid down for the assessment of Government buildings.

(b) No.

GAZETTED OFFICERS IN THE SHIPPING OFFICES IN CALCUTTA.

648. ***Mr. D. K. Lahiri Chaudhury:** (a) Is it not a fact that in previous years there were only two gazetted officers in the Shipping Offices?

(b) Why was the post of Deputy Shipping Master created? Is it a fact that the Assistant Shipping Master has only been performing the duties which in the past used to be performed by the Superintendent alone?

(c) Is it a fact that because of the existence of a separate office at Kidderpore the post of Assistant Shipping Master could not be abolished?

The Honourable Sir George Rainy: (a) Prior to the year 1927, two gazetted officers were employed at the Calcutta Shipping Office. In that year the designation of the post of Assistant Shipping Master was changed to that of Deputy Shipping Master and a new appointment of Assistant Shipping Master was created.

(b) The reasons which led to the designation of the post of Assistant Shipping Master being changed to that of Deputy Shipping Master are set forth in the Proceedings of the meeting of the Standing Finance Committee held on the 26th January, 1927 (Volume VI, No. 7), to which I would invite the Honourable Member's attention. The reply to the latter part of the question is in the negative.

(c) No.

Mr. K. Ahmed: Is it a fact that the Shipping Master, Calcutta, was also appointed for his additional work as Officer-in-charge of Recruitment in the year 1924?

The Honourable Sir George Rainy: I am not aware of what was done in the year 1924, but if my Honourable friend will give me notice, I shall be glad to answer that question.

Mr. K. Ahmed: Is it not a fact that the Government of India announced through the Provincial Government that there would be some additional duties performed by the Shipping Master, and that is why the posts of the Assistant Shipping Master and his Deputy were created?

The Honourable Sir George Rainy: The existing post of the Assistant Shipping Master was certainly created in the hope that it would lead to an improvement in the methods of recruitment. It was created specially for that reason.

Mr. K. Ahmed: Is it not a fact that the Clow Committee reported in the year 1923 that there would be a whole-time recruiting officer in charge of the Recruitment Bureau at Calcutta and the acting Shipping Master was gazetted to be appointed in addition to his duties as Shipping Master, Calcutta, and that he had to do the work of recruiting, and on that understanding some additional appointment was made and the extension of his office took place?

The Honourable Sir George Rainy: The creation of this appointment did arise in connection with the Clow Committee's Report.

Mr. K. Ahmed: In view of the fact that no effect has been given hitherto to that recommendation, as well as the fact that the Honourable the Commerce Member has already stated in his reply that the Royal Commission on Labour will consider the matter, and he has been waiting for their Report, and there is no knowing when effect will be given to it, will they abolish these appointments of Assistant Shipping Master and the Deputy Shipping Master?

The Honourable Sir George Rainy: I am afraid I must ask for notice of that question.

TRANSFER OF THE CONTINUOUS DISCHARGE CERTIFICATE DEPARTMENT OF THE SHIPPING OFFICE FROM KIDDERPORE TO CALCUTTA.

649. ***Mr. D. K. Lahiri Chaudhury:** Are Government prepared to consider the question of the early transference of the Continuous Discharge Certificate Department from Kidderpore to Calcutta?

The Honourable Sir George Rainy: No; owing to the lack of space in the Head Office at Calcutta, it is impossible to transfer the Branch Office from Kidderpore to Calcutta.

PAY OF COMPOSITORS IN THE PRIVATE SECRETARY TO THE VICEROY'S PRESS.

650. ***Mr. D. K. Lahiri Chaudhury:** (a) Will Government be pleased to state the grades or scales under which the services of compositors are treated while transferred from a Government Press to the Private Secretary to the Viceroy's Press?

(b) Is it a fact that there are some Compositors who are transferred to the Private Secretary to the Viceroy's Press with long services? If so, will Government be pleased to state the scales under which their services in the Private Secretary to the Viceroy's Press are treated?

(c) Is it a fact that the old scale which was framed in 1921 is applicable to those only who were in the Private Secretary to the Viceroy's Press in 1921? If so, will Government be pleased to state under what scales the services of the Compositors are being treated who had already prior services to the old scale of 1921?

(d) Will Government be pleased to lay on the table a statement showing the number of the Compositors transferred to the Private Secretary to the Viceroy's Press, with their previous services, and their previous and present pay, as also showing the grades in which they have been fixed?

Mr. J. A. Shillidy: Enquiries are being made.

ALLEGED DEFACEMENT BY THE POST OFFICE OF BLANK REPLY POST CARDS.

651. ***Mr. D. K. Lahiri Chaudhury:** (a) Is it a fact that reply post cards are issued by the Government of India?

(b) Is it necessary that communications should be written on the card not marked "Reply"?

(c) Is there any article in the Post and Telegraph Guide stating that this should be done?

(d) Is it also a fact that consequent on misuse, the Post Office return the cards after effacing the stamp on the blank card on which the addressee requires a reply and the card for outstation is also returned without any reason?

(e) Will Government be pleased to intimate whether they intend to help poor and illiterate people who use post cards by issuing orders to the Post Office to be careful when stamping reply post cards and see that those that are blank are not misused by them? If not, why not?

Mr. H. A. Sams: (a) Yes.

(b) That is the intention.

(c) No; clause 52 of the Post and Telegraph Guide expresses the intention that the Reply portion should be left blank by the sender.

(d) No. In this connection the Honourable Member's attention is drawn to the reply given to Mr. Muhammad Anwar-ul-Azim's starred question-No. 424 on the 11th February, 1931.

(e) Departmental orders to that effect are already in existence.

ESTABLISHMENT OF A CENTRAL MEDICAL RESEARCH INSTITUTE.

652. ***Mr. Bhuput Sing** (on behalf of Mr. C. C. Biswas): Will Government be pleased to state:

(a) the recommendations made by the Conference held at Simla in July, 1930, in connection with the establishment of a Central Medical Research Institute;

(b) the nature of the recommendations, particularly with regard to the constitution of the Governing Body of the Indian Medical Research Fund Associations;

(c) the time when it is expected to give effect to the recommendations of the Conference;

(d) whether it is a fact that it is proposed to reserve a large number of posts for research workers for members of the Indian Medical Service;

(e) whether it is a fact that protests against such reservation of research posts for the Indian Medical Service have been made by the Medical Faculties of all Indian Universities and by the All-India Medical Conferences held at Calcutta and Lahore in December last;

(f) whether it is a fact that a protest had also been made by non-official members at the last Simla Conference;

(g) whether it is a fact that such protest was over-ruled by the Chairman of the Conference, and if so, the grounds on which it was so over-ruled;

(h) whether it is a fact that the Chairman also ruled out a discussion on the question of the salaries of the Directors of the Institute being fixed at Rs. 2,500 to Rs. 3,000;

(i) whether or not the proceedings of the Conference contain a reference to the said protests made by the non-official members, or to the protest made by them, if any, against the ruling of the Chair;

(j) whether it is a fact that the Chairman gave his ruling or rulings after consulting the Honourable Member in charge of the Department concerned;

(k) whether or not Government are prepared to re-open the question as to the reservation of research posts for the Indian Medical Service as well as that relating to the scale of salaries to be given to the Directors of the Institute?

The Honourable Khan Bahadur Mian Sir Fazl-i-Husain: (a) and (b). I would request the Honourable Member kindly to refer to the proceedings of the Conference, copies of which have been placed in the Library of the House.

(c) The recommendations are at present under consideration. Final conclusions reached will be carried out as soon as practicable.

(d) Eighteen appointments in the Medical Research Department are reserved for members of the Indian Medical Service under the scheme sanctioned by the Secretary of State for India, an announcement in regard to which was made in the Press Communiqué issued on May 10th, 1928, a copy of which is in the Library of the House.

(e) Government have seen the resolutions passed on this subject by the Second Conference of Indian Universities, which was held at Delhi in 1929, and by the All-India Medical Conference held at Calcutta in December, 1928.

(f), (g) and (h). The Honourable Member will find all the information he needs in the proceedings of the Conference referred to above.

(i) Yes.

(j) Does it matter very much one way or the other?

(k) In view of pending constitutional changes, existing rules and regulations are liable to be brought under reconsideration in the light of the constitutional changes made.

Mr. B. Das: May I inquire the decision of the Government as to the location of the Central Research Institute, as to which place was chosen to locate this institute?

The Honourable Khan Bahadur Mian Sir Fazl-i-Husain: We do not know yet.

Mr. B. Das: Does it mean that the Government of India have come to no decision as to the location of the Central Research Institute?

The Honourable Khan Bahadur Mian Sir Fazl-i-Husain: We do not know yet.

Mr. B. Das: May I inquire if they have suspended all expenditure of money at Dehra Dun for building purposes?

The Honourable Khan Bahadur Mian Sir Fazl-i-Husain: I believe so.

LACK OF MUSLIMS IN THE RAILWAY CLEARING ACCOUNTS OFFICE.

653. ***Dr. Ziauddin Ahmad** (on behalf of Seth Haji Abdoola Haroon):
(a) Has the attention of Government been drawn to the leading article in the *Muslim Outlook* of the 22nd December, 1930, under the heading "Railway Clearing Accounts Office"?

(b) Is it a fact that a memorandum was submitted to the Commerce Member of the Government of India by some leading Mussalman bringing to his notice the deplorable state of Muslims in this Department?

(c) Is it a fact that in the memorandum were mentioned some of the methods adopted by Hindu cliques to keep Muslim candidates out or to oust Muslim subordinates from their jobs?

(d) Is it a fact that Government ordered an inquiry to be made into these allegations and that certain Railway Officials were deputed for the purpose?

(e) Is it a fact that the inquiry was confined to the Agent's Offices only?

(f) Is it a fact that the Railway Clearing Accounts Office has been excluded from the inquiry?

(g) Is it a fact that the Railway Clearing Accounts Office is one of the biggest Railway Offices in India with an establishment of about 1,500 men?

(h) Is it a fact that no Muslim Officer or Superintendent has ever been appointed in the Railway Clearing Accounts Office?

(i) Is it a fact that hundreds of new appointments have been made in this office during the last four years?

(j) Are Government aware that there is not a single Muslim clerk in the establishment section of this office?

(k) Are Government aware of the fact that a great agitation has been going on during the last many years in the Legislative Assembly and the Muslim Press against Rai Bahadur Fakir Chand, the Assistant Director of this Office, against his anti-Muslim policy?

(l) If the reply to part (k) is in the affirmative, will Government be pleased to state why the Railway Clearing Accounts Office was excluded from this inquiry?

(m) Will Government be pleased to place a copy of the Reports of officers who held an inquiry referred to in part (d)?

(n) Are Government prepared to depute a Muslim officer to inquire into the affairs of the Railway Clearing Accounts Office?

Mr. A. A. L. Parsons: (a) Yes.

(b) A memorandum complaining of inadequate representation of Muslims in the Railway Department was recently submitted to the Honourable the Railway Member.

(c) The memorandum referred to certain allegations of unfair treatment made in an article in the *Muslim Outlook* on the subject "How Muslims are kept out".

(d) Yes.

(e) The enquiry has so far been made into the Agent of the North Western Railway's Office, the Office of the Divisional Superintendent, Lahore, the Head Office of the Engineering Department on the Great Indian Peninsula Railway, the Transportation Division at Byculla, the Agent of the Eastern Bengal Railway's Office, and the Office of the Divisional Transportation Superintendent, Sealdah.

(f) No enquiry has yet been made.

(g) Yes.

(h) The actual answer is "no", for a Muslim officer was employed in that office in 1928 on special duty. But no Muslim officer or Superintendent has been posted there against the permanent cadre.

(i) The bulk of the men in the office were transferred from other Railway Accounts offices. The number of appointments filled otherwise than by such transfer is relatively small, being about 1/6th of the total Staff of 1,469 employees.

(j) Yes.

(k) Government are aware of the allegations made against this officer. They are unfounded, and I wish to mention that, since July, 1929, he has been employed on the introduction of Rates Registers and of the new appointments made in connection with this work 38 per cent. have been filled by Muslims.

(l) and (m). The enquiry recently made was of a preliminary and limited character. It is now proposed to extend it to all State Railway offices and offices under the control of the Financial Commissioner, Railways.

(n) I would refer the Honourable Member to my reply to question No. 559, asked by Dr. Ziauddin Ahmad on the 17th February, 1931, and shall be glad to show the reports to any Honourable Member who wishes to see them in my office.

Mr. Muhammad Anwar-ul-Azim: With reference to the answer to (k), does not that 38 per cent. include those wage earners who are on annas 6 a day?

Mr. A. A. L. Parsons: The answer, I think, Sir, is in the negative, but I have no time to look through the whole of the list I have here.

MUSLIM CLERKS IN THE RATES REGISTER BRANCH OF THE RAILWAY CLEARING ACCOUNTS OFFICE.

654. ***Dr. Ziauddin Ahmad** (on behalf of Seth Haji Abdoola Haroon): (a) Is it a fact that some reduction in the clerical staff of the Rates Register Branch of the Railway Clearing Accounts Office is contemplated?

(b) If so, will Government be pleased to state whether they have issued instructions to the officer in charge to see that no Muslim clerks should be settled up and whether it is not a fact that the Muslims are in a hopeless minority in the Railways?

(c) If the reply to part (b) is in the negative, will Government be pleased to state the reasons for not issuing such instructions?

Mr. A. A. L. Parsons: (a) Yes.

(b) and (c). The principles which will be followed in selecting individuals for discharge will be to discharge men in the following order:

First those who are inefficient; then those who are the least efficient; then those who have short service and among them permanent employees should ordinarily be retained in preference to temporary employees; and then those nearing the age of superannuation.

The Railway Board are considering what steps should be taken to see that the unfortunate necessity for reducing staff does not operate to the detriment of communities not at present adequately represented in railway services.

TREATMENT OF POLITICAL PRISONERS OF THE NORTH WEST FRONTIER PROVINCE.

655. ***Dr. Ziauddin Ahmad** (on behalf of Seth Haji Abdoola Haroon):

(a) Are Government aware that Mr. Ahmad Shah, Bar.-at-Law, a prominent leader of the Frontier Province, who has recently been transferred from Gujrat special jail to Jullundur, has been put in solitary confinement, despite the fact of his being an "A" class prisoner?

(b) Are Government aware that Khan Ali Gul Khan, a prisoner of the Frontier Province, is suffering from tuberculosis?

(c) Do Government propose to release Khan Ali Gul Khan in view of his serious illness?

(d) Are Government aware that several other prisoners of the North West Frontier Province are suffering from various diseases?

(e) Will Government be pleased to state the reasons why these prisoners have not been released?

(f) Will Government be pleased to state the circumstances under which Hasham Gul and Shasti Gul, two prisoners of the North West Frontier Province, met their death in the Peshawar Jail?

(g) Is it a fact that Hasham Gul died within 12 hours of cane-beating?

(h) Has this conduct of the Jailor in charge of the Peshawar Jail been brought to the notice of Government by the political prisoners who are placed under him?

(i) If so, what action have Government taken in the matter?

(j) Is it a fact that sufficiently white clothes are not supplied to the political prisoners in the Frontier Jails?

(k) Is it also a fact that no warm clothing is supplied to these prisoners to protect themselves in the extreme cold?

(l) Are Government aware that as a result of this their health has been impaired?

The Honourable Sir James Orerar: I am making enquiries and will communicate the result to the Honourable Member.

TREATMENT OF POLITICAL PRISONERS OF THE NORTH WEST FRONTIER PROVINCE.

656. ***Dr. Ziauddin Ahmad** (on behalf of Seth Haji Abdoola Haroon):

(a) Is it a fact that Khan Abdul Akbar Khan, President of the Afghan Jirgha and a big landlord, was placed in "A" class by the Frontier Government, but was treated as "B" class prisoner by the Punjab Government in the Gujrat special jail?

(b) Has the attention of Government been drawn to the fact that Khadim Mohamed Akbar, Manager of the National Azad High School, Utmanzai, and Secretary, Anjuman Islahul Afghana, who was sentenced to six months' imprisonment and was kept in Dera Ismail Khan Jail, was subjected to such inhuman treatment that it drove him mad?

(c) Will Government be pleased to state what action was taken by the Frontier Government in that matter?

(d) Is it a fact that the railway wagons used for transporting the political prisoners from one jail to another were, and in some cases are still, those which are used for transporting animals?

(e) Have Government taken any steps to punish those responsible for this practice?

(f) Do Government propose to issue orders to the authorities in the North-West Frontier Province to discontinue such inhuman treatment of political prisoners?

(g) Are Government prepared to appoint a representative Committee of non-official Members of this House to investigate into the Frontier Jails Administration?

The Honourable Sir James Orerar: I am ascertaining the facts and will supply the information to the Honourable Member in due course.

COMMUNICATIONS RECEIVED FROM EXCHANGE BANKS.

657. ***Mr. B. Das:** Will Government be pleased to lay on the table communications, which they have received from the Exchange Banks, individually or through their Association, on the following occasions:—

- (i) in 1892 before the closing of the Mint;
- (ii) in 1900-01 when the question of the Central Bank was being discussed;
- (iii) in 1912 when the question of the Central Bank was being discussed;
- (iv) in 1920 when the Imperial Bank was being formed by the amalgamation of the Presidency Banks; and
- (v) in 1926-27 when the Reserve Bank was being formed?

The Honourable Sir George Schuster: Government consider that no useful purpose will be served by encumbering the records of the proceedings of the House with a mass of papers dealing with ancient history. The latest papers asked for by the Honourable Member *viz.*, those relating to the Reserve Bank proposals, were circulated to the Members of the Legislature at the time the Reserve Bank Bill was before the House.

OPERATIONS OF FOREIGN EXCHANGE BANKS IN INDIA.

658. ***Mr. B. Das:** Will Government be pleased to state:

- (a) whether requests have been made by the Central Banking Enquiry Committee or any member thereof for information as to the operations of the foreign Exchange Banks in India;
- (b) whether such requests have been fully complied with;
- (c) if not, whether the Finance Department propose to secure the information necessary for determining the position and activities of these foreign institutions relative to Indian banking institutions?

The Honourable Sir George Schuster: (a) and (b). So far as the British Exchange Banks are concerned, all the figures required by the Banking Committee have already been supplied. The non-British Exchange Banks were requested to supply the information either to the Secretary to the Committee or to the Secretary to the Government of India in the Finance Department. The figures have been received from six out of the nine non-British Exchange Banks addressed. Of the remaining three, one has sent the figures to the India Office, and it is believed that the other two have also followed a similar procedure.

(c) Does not arise.

PUBLICATION IN THE VERNACULARS OF THE RECOMMENDATIONS OF THE ROUND TABLE CONFERENCE.

659. *Lala Hari Raj Swarup: (a) What steps have Government taken to educate public opinion in India as regards the recommendations of the various sub-committees of the Round Table Conference?

(b) Do Government propose to issue the same as well as the debates in Parliament in the form of a small pamphlet in various vernaculars in India at the earliest possible date?

The Honourable Sir George Rainy: (a) The Reports of the various sub-committees of the Round Table Conference have been reprinted in India and the Volume containing them is on sale at the Central Publication Branch in Calcutta. The price of the Volume is five annas.

(b) The speech of the Prime Minister in the final plenary session of the Round Table Conference summarised the work of the various sub-committees and contained the declaration of His Majesty's Government regarding the future Government of India. The salient portions of the speech have already been published in Bengali, and arrangements have been made for the publication of the speech in the other main vernaculars of India.

PRESENT ADMINISTRATIVE ACTIONS OF THE GOVERNMENT OF INDIA AND THE PREMIER'S DECLARATION.

660. *Lala Hari Raj Swarup: (a) Has the attention of Government been drawn to a statement in the Prime Minister's announcement regarding the possible *interim* action under the present Government of India Act?

(b) What action, if any, has been taken by the Government of India in that direction since the Premier's declaration?

(c) If the answer to part (b) be in the negative, how do Government propose to explore the possibilities of bringing Indian administrative action more into accordance with the declarations made in London than is the case at present?

The Honourable Sir George Rainy: (a) Yes.

(b) and (c). The matter is under consideration.

COLLECTION OF STATISTICS OF EDUCATED UNEMPLOYED IN INDIA.

661. *Lala Hari Raj Swarup: (a) Is it a fact that the preliminary census operations have started?

(b) With reference to Government's reply to starred question No. 91 of Diwan Bahadur T. Rangachariar on the 28th January, 1931, that it has been decided to collect statistics of educated unemployed at the next census, will Government be pleased to state if instructions in this behalf have been issued to enumerators and, if so, what?

(c) If not, do Government propose to issue the necessary instructions before the final date of the census?

The Honourable Sir James Crerar: (a) Yes.

(b) Enumerators have been instructed to issue a special schedule to be filled in by educated persons who state that they are unemployed. A copy of the schedule has been placed in the Library.

(c) Does not arise.

GOVERNMENT'S PURCHASE AND SALE OF SILVER.

662. ***Lala Hari Raj Swarup:** (a) Will Government be pleased to state the total amount of silver annually purchased on behalf of Government, together with the rates from the beginning of the War?

(b) What amount of silver, at what prices, in what markets and through what agencies has been sold out during the last few years?

(c) How much undisposed of stock of silver is still available for sale?

(d) Have Government received any communication from foreign authorities requesting co-operation regarding any steps for stabilising the price of the metal?

(e) Will Government be pleased to lay on the table a full statement of their future policy as regards the sales of their silver stocks?

The Honourable Sir George Schuster: (a) The information is given in accounts Nos. 87A and 87B of the Finance and Revenue Accounts of the Government of India from 1914-15 to 1920-21 and in accounts Nos. 91 and 91A of the Finance and Revenue Accounts from 1921-22, copies of which are in the Library of the House.

(b) The attention of the Honourable Member is invited to the reply given to part (a) of Lala Rameshwar Prasad Bagla's starred question No. 311 on the 3rd February, 1931.

(c) The stock of silver coin and bullion held in the Paper Currency Reserve is shown in the published weekly abstract of the accounts of the Paper Currency Department.

(d) I shall deal with this matter in my Budget speech.

(e) I would refer the Honourable Member to my last Budget Speech, in which I stated clearly the policy of Government.

THE EXCHANGE RATIO.

663. ***Lala Hari Raj Swarup:** (a) Will Government be pleased to lay on the table a monthly statement of the market rate of exchange on sterling drafts ever since the ratio has been officially fixed at 1s. 6d.?

(b) On how many occasions did it fall below the official minimum?

(c) On what occasions was the official rate supported by (i) contraction of currency in India and (ii) sterling borrowings in London?

The Honourable Sir George Schuster: (a) I place on the table a statement showing the highest and lowest quotations for telegraphic transfers on London from April 1927 to January 1931.

(b) The Honourable Member will be able to obtain the information he requires from the statement referred to in (a).

(c) The reports of the Controller of the Currency give information as to the action taken by Government in past years. I shall deal with the current year in my Budget speech.

The highest and lowest quotations for telegraphic transfers on London.

Months.	1927-28.				1928-29.				1929-30.				1930-31.			
	Highest.		Lowest.		Highest.		Lowest.		Highest.		Lowest.		Highest.		Lowest.	
	s.	d.	s.	d.	s.	d.	s.	d.	s.	d.	s.	d.	s.	d.	s.	d.
April . . .	1	5 7/8	1	5 13/16	1	5 31/32	1	5 31/32	1	5 31/32	1	5 29/32	1	5 13/16	1	5 13/16
May . . .	1	5 15/16	1	5 13/16	1	5 31/32	1	5 31/32	1	5 29/32	1	5 27/32	1	5 13/16	1	5 25/32
June . . .	1	5 29/32	1	5 27/32	1	5 31/32	1	5 27/32	1	5 7/8	1	5 13/16	1	5 13/16	1	5 25/32
July . . .	1	5 27/32	1	5 13/16	1	5 7/8	1	5 27/32	1	5 13/16	1	5 25/32	1	5 13/16	1	5 3/4
August . . .	1	5 7/8	1	5 13/16	1	5 31/32	1	5 7/8	1	5 27/32	1	5 3/4	1	5 25/32	1	5 3/4
September . . .	1	5 15/16	1	5 7/8	1	6	1	5 15/16	1	5 27/32	1	5 13/16	1	5 25/32	1	5 3/4
October . . .	1	5 15/16	1	5 29/32	1	6 1/16	1	6	1	5 27/32	1	5 13/16	1	5 13/16	1	5 25/32
November . . .	1	6	1	5 15/16	1	6 1/16	1	6 1/32	1	5 7/8	1	5 13/16	1	5 25/32	1	5 3/4
December . . .	1	6 3/32	1	6	1	6 1/32	1	6 1/32	1	5 29/32	1	5 7/8	1	5 3/4	1	5 3/4
January . . .	1	6 3/32	1	6 1/32	1	6 1/32	1	6	1	5 15/16	1	5 7/8	1	5 3/4	1	5 3/4
February . . .	1	6 1/32	1	5 15/16	1	6	1	5 15/16	1	5 7/8	1	5 27/32	..	..	..	..
March . . .	1	5 31/32	1	5 15/16	1	5 31/32	1	5 31/32	1	5 27/32	1	5 13/16	..	..	..	..

UNDERWRITING OF STERLING LOANS.

664. *Lala Hari Raj Swarup: (a) Will Government be pleased to state how many post war sterling loans out of the ten permanent loans raised were underwritten in London and through what firms of underwriters?

(b) What was (i) the percentage rate of commission paid on each occasion and (ii) the total amount of underwriting commission in all?

(c) What was the total amount of discount on each occasion?

(d) How is the provision for meeting the discount made in London?

The Honourable Sir George Schuster: (a) to (c). I place on the table a statement giving the figures required by the Honourable Member. All the arrangements regarding underwriting are made by the Secretary of State's brokers, who place the underwriting with a large number of Banks and other firms and share the commission with them. These arrangements follow exactly the practice which has become established in the City of London for placing loans.

(d) The discount is written off to revenue by a series of book adjustments extending over the currency of the loans. The discount has to be considered in conjunction with the nominal rate of interest payable on the loan. From the two combined the real rate of interest payable on the loan has to be calculated.

Sterling Loans.

No.	1 Year.	2 Rate of interest.	3 Issue price.	4 Nominal Amount.	5 Discount.	6 Underwriting charge $1\frac{1}{2}\%$.
				£		£
1	1921-22	7 % Stock	100	7,500,000	..	93,750
2	"	5½ % "	93½	10,000,000	650,000	125,000
3	1922-23	"	96	12,500,000	500,000	156,250
4	"	4½ % "	85	20,000,000	3,000,000	250,000
5	1923-24	"	90	20,000,000	2,000,000	250,000
6	1927-28	"	91½	7,500,000	637,500	93,750
7	1928-29	"	91	10,000,000	900,000	125,000
8	1929-30	6 % 32-33 Bonds.	99	6,000,000	60,000	75,000
9	1930-31	6 % 33-35 Bonds.	99	7,000,000	70,000	87,500
10	"	6 % 35-37 Bonds.	100	12,000,000	..	150,000
			Total	112,500,000	7,817,500	1,406,250

CONVERSION ARRANGEMENT FOR THE 7 PER CENT. STERLING LOAN.

665. *Lala Hari Raj Swarup: Will Government be pleased to state the amount by which the sterling debt was increased by the conversion operations of the 7 per cent. sterling loan of 1921?

The Honourable Sir George Schuster: £6,229,463 of the 7 per cent. sterling loan was converted into £12,503,394 of the 3 per cent. India Sterling Stock in accordance with the terms of issue. This only represents a nominal increase as the 3 per cent. loan is, unless the Government of India wish to redeem it, a permanent loan and therefore only represents a permanent annuity. The conversion meant a saving in interest charges of about £61,000 per annum.

CASH CERTIFICATES.

666. ***Lala Hari Raj Swarup:** (a) What was the total denominational amount of Cash Certificates issued, year by year, in India since 1917?

(b) What was the actual capital invested in the same in different circles at the end of 1930?

(c) What was the approximate accrued interest liability on the capital referred to in (b)?

(d) What steps do Government propose to take to further popularise the movement in India?

(e) Are Government aware that the organisation of the national savings movement is in the hands of an independent body in England?

(f) Do Government propose to introduce permanent conversion and other facilities in India for Cash Certificates on the lines of those already existing in Britain for the Saving Certificates?

The Honourable Sir George Schuster: (a) and (b). I place on the table statements giving the information up to the end of the financial year 1929-30. Figures for the current year are not available at present.

(c) The approximate accrued interest liability on the Certificates outstanding on the 31st March, 1930, was 8.35 lakhs on 1st October, 1930.

(d) and (f). The question of popularising Cash Certificates has been dealt with by the Provincial Banking Enquiry Committee, who have made a number of recommendations. Government will consider the question fully after receipt of the Report of the Central Banking Enquiry Committee.

(e) Yes.

(a) *Denominational amount of Cash Certificates issued.*

Year.	Rs. 10 denomi- nation.	Rs. 20 denomi- nation.	Rs. 50 denomi- nation.	Rs. 100 denomi- nation.	Rs. 500 denomi- nation.	Rs. 1,000 denomi- nation.
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
1917-18	2,84,68,900	196,25,680	1,31,31,150	5,85,10,400	91,66,000	This deno- mination was not introduc- ed before 1923.
1918-19	66,02,750	42,20,880	33,93,650	1,23,03,700	1,41,14,500	
1919-20	7,62,270	2,74,200	4,90,400	30,44,400	64,15,500	
1920-21	1,01,380	82,300	2,97,350	19,07,800	42,49,500	
1921-22	49,960	72,660	2,61,850	15,61,300	41,91,000	
1922-23	63,150	89,040	3,44,950	24,01,700	61,33,000	This deno- mination was not introduc- ed before 1923.
1923-24	4,07,580	4,99,420	14,94,050	1,28,08,500	5,07,48,500	
1924-25	2,97,080	5,20,060	16,11,900	1,15,91,600	2,47,38,000	
1925-26	4,80,300	8,36,760	23,60,000	1,72,38,700	3,17,64,000	
1926-27	4,32,180	6,30,780	18,73,700	1,25,21,000	2,05,27,500	
1927-28	3,88,930	5,75,040	18,77,200	1,11,30,600	1,69,55,000	
1928-29	3,16,680	4,86,620	18,32,850	92,04,000	1,46,49,500	
1929-30	3,95,240	5,82,300	22,05,100	1,34,83,600	2,06,62,000	5,46,53,000

(b) Amount of Post Office Cash Certificates outstanding in each Circle at the end of 1929-30.

Name of Postal Circle.	(In thousands of rupees.)
Bengal and Asam	6,36,99
Bihar and Orissa	1,38,97
Bombay	10,68,81
Central	2,44,48
Sind and Baluchistan	1,55,73
Punjab and North-West Frontier Province	4,71,80
United Provinces	5,17,14
Madras	2,06,56
Burma	60,70
	<u>35,01,18</u>

MILITARY SCHOOLS AND COLLEGES IN INDIA.

667. *Mr. Badri Lal Rastogi: Will Government please state:

- what is the total number of military schools and colleges in the whole of India; and
- what is the total number of Indian and European students in each school and college of India?

Mr. G. M. Young: (a) Assuming that the question refers to schools or colleges composed exclusively of students who intend to enter the Army, the answer is four.

(b) There are 107 students in the Royal Indian Military College, Dehra Dun, and 219, 213 and 16 in the King George's Military Schools at Jullundur, Jhelum and Ajmer, respectively. The Ajmer school was opened in November last.

There are no European students in these institutions.

MILITARY SCHOOLS AND COLLEGES IN INDIA.

668. *Mr. Badri Lal Rastogi: (a) Will Government please enumerate the provinces of India where there is neither a military school nor a military college in existence?

(b) Do Government propose to start any military school or college in the provinces where there is none?

Mr. G. M. Young: (a) The only provinces in which such institutions are situated are the United Provinces, the Punjab and Ajmer-Merwara.

(b) There is no such scheme at present.

TECHNICAL SCHOOLS AND COLLEGES IN INDIA.

669. *Mr. Badri Lal Rastogi: (a) What is the total number of (i) Mechanical, (ii) Engineering, (iii) Ayurvedic and (iv) Tibbi Schools and Colleges in the whole of India?

(b) Do Government propose to start them in the province where there is neither school nor college in existence?

The Honourable Khan Bahadur Mian Sir Fazl-i-Husain: (a) (i) and (ii). There were 17 engineering colleges and schools in British India in the year 1928-29, the latest year for which the Government of India have information. This number included mechanical engineering institutions.

(iii) and (iv). The Government of India have no information.

(b) The Honourable Member is no doubt aware that education is a provincial transferred subject.

RESIDENTIAL ENGLISH HIGH SCHOOLS AND COLLEGES IN INDIA.

670. ***Mr. Badri Lal Rastogi:** Will Government be pleased to lay on the table a statement, showing province by province, the number of residential English High Schools and Colleges in the whole of India?

The Honourable Khan Bahadur Mian Sir Fazl-i-Husain: The information is being obtained from Local Governments and Administrations and will be laid on the table on receipt.

EXPENDITURE FOR OFFICERS AND STAFF OF THE STANDARDS OFFICE OF THE RAILWAY BOARD.

671. ***Mr. S. C. Shahani:** Will Government be pleased to state:

(a) the monthly expenditure on account of—

(i) officers,

(ii) ministerial staff,

employed in the Standards Office of the Railway Board;

(b) the period for which it has been in existence;

(c) whether it is a temporary office; and

(d) if so, when its work will be completed?

Mr. A. A. L. Parsons: (a) (i) Rs. 17,550 approximately.

(ii) Rs. 6,800 approximately.

(b) From 1st March, 1930.

(c) and (d). I would invite the Honourable Member's attention to the Memorandum by the Financial Commissioner of Railways, regarding the creation of a Central Standards Office, which gives the required information. The Memorandum is incorporated in the proceedings of the meeting of the Standing Finance Committee for Railways, Vol. VII, No. 1, dated the 29th and 30th May, 1930, a copy of which is in the Library.

STANDARDISATION OF RAILWAY STORES.

672. ***Mr. S. C. Shahani:** (1) Will Government be pleased to state:

(a) whether the Standards Office functions in an advisory or mandatory manner;

(b) the classes of stores which were intended to be standardized;

(c) those stores for which standards have been laid down; and

(d) those which yet remain to be standardized?

(2) Will Government be pleased to state the procedure adopted for the standardization of stores?

Mr. A. A. L. Parsons: (1) (a) State-managed railways are bound to adopt such standards, prepared by the Central Standards Office, as are approved by the Railway Board.

(b) Materials, plant and rolling stock in general use on Indian Railways.

(c) Standard designs have been prepared for types of locomotives, wagons and coaching underframes in general use.

Standard designs for only a few items of engineering equipment have yet been completed. About 150 standard stores specifications have been prepared.

(d) In addition to a number of items to be completed under the heads referred to in my reply to part (c), both drawings and specifications of standardised items must be constantly revised to keep abreast of up-to-date practice.

(2) Designs and specifications which it is proposed to standardise are in the first instance considered by technical committees. If the recommendations submitted by them are approved by the Railway Board, the Central Standards Office prepares detailed designs and specifications.

Dr. Ziauddin Ahmad: Are these articles standardised by this office made in India or in England?

Mr. A. A. L. Parsons: It is difficult for me to reply categorically to such a question considering the very large number of articles which have been and are being standardised; but the instructions which have been issued to the Central Standards Office are to see that, so far as possible, in the standards which they lay down, nothing is done which will prevent articles being made in India, and that on the contrary they should attempt to meet the wishes of Indian manufacturers.

Dr. Ziauddin Ahmad: Is it not the intention of this office to give a kind of monopoly to certain particular firms and in case these necessities run short all the Indian Railways should come to a standstill?

Mr. A. A. L. Parsons: That is exactly the reverse of the intention; the intention is, by standardisation, to make it easy for many firms to comply with our requirements.

Mr. S. C. Mitra: Will the Honourable Member give us an approximate idea of what percentage may be had from India of these standardised things?

Mr. A. A. L. Parsons: I am afraid it would be impossible.

FREIGHT RATES FOR THE TRANSPORT OF WHEAT.

673. ***Mr. S. C. Shahani:** Will Government be pleased to state the present freight rates for the transport of wheat *ex*-Lyallpur, (a) to Karachi, (b) to other parts of the Punjab, to which it is booked?

Mr. A. A. L. Parsons: The present freight rate for wheat from Lyallpur to Karachi is Re. -/6/10 per maund, which works out to a rate of 0.12 pie per maund per mile. This rate has been in force from the 18th November, 1930, and has been notified as applicable up to the 28th February, 1931.

The rates for wheat from Lyallpur to other parts of the Punjab served by the North Western Railway vary, according to the distances for which it is carried and according to the following scales :

	Pie per maund per mile.
(i) for distances up to 232 miles	0·33
(ii) for distances over 232 miles :	
for the first 150 miles	0·38
for extra distances above 150 miles but not exceeding 250 miles, to be added to the charge for 150 miles . .	0·25
for extra distances above 250 miles but not exceeding 400 miles, to be added to the charge for 250 miles . .	0·125
for extra distances above 400 miles to be added to the charge for 400 miles	0·115

To the rates worked out on scales (i) and (ii) above a terminal charge of 6 pies per maund is added.

Mian Muhammad Shah Nawaz: What is the actual cost incurred by the railway for carrying wheat from Lyallpur to Karachi? Is it not about 8 annas?

Mr. A. A. L. Parsons: I am afraid I cannot answer that. It is almost impossible to determine the exact cost of a moving train.

Mian Muhammad Shah Nawaz: Will he kindly determine it and let me know?

Mr. A. A. L. Parsons: I do not think it is possible to determine it.

Mian Muhammad Shah Nawaz: Approximately?

Mr. A. A. L. Parsons: Very doubtful.

Mian Muhammad Shah Nawaz: Are you not making any profit at all?

Mr. K. Ahmad: That is not parliamentary?

Mr. A. A. L. Parsons: At the reduced rate at which we are now carrying wheat from Lyallpur to Karachi, I doubt if there is very much of an element of profit left.

Dr. Ziauddin Ahmad: Will the Honourable Member try and reduce the freight to a limit so that it might be just enough to meet the expenses of the railway?

Mr. A. A. L. Parsons: Sir, we have already reduced it as an experiment for all distances over 400 miles to 0·115 per maund per mile. That is very nearly the lowest possible rate.

Mr. B. Das: Is it not a fact, Sir, that the North Western Railway is already running at a loss?

Mr. A. A. L. Parsons: The traffic returns are not good.

COMMUNITIES REPRESENTED AMONG POSTMASTERS IN THE BENGAL AND ASSAM POSTAL CIRCLE.

674. *Dr. Ziauddin Ahmad: (a) Has the Director-General of Posts and Telegraphs seen the tabular statement given by Mr. Shillidy in reply to starred question No. 182 of this Session?

(b) What action do Government propose to take to fulfil their promises?

Mr. J. A. Shillidy: (a) Yes.

(b) The Honourable Member presumably refers to the instructions issued by Government in regard to recruitment. The appointments referred to in my statement are filled by promotion.

COURSES OF INSTRUCTION AND SYLLABUS OF STUDIES AT THE MILITARY COLLEGE, DEHRA DUN.

675. *Dr. Ziauddin Ahmad: (a) Is it not a fact that the courses of instruction and syllabus of studies in the so-called Military College, Dehra Dun, do not include any subject about military service and military training?

(b) Why is it called a military college?

Mr. G. M. Young: (a) Yes.

(b) Because it trains students for the Army entrance examination.

SHARE CAPITAL OF THE BENGAL AND NORTH WESTERN RAILWAY AND THE ROHILKUND AND KUMAON RAILWAY.

676. *Dr. Ziauddin Ahmad: (a) Is it not a fact that Government in reply to starred question No. 212 of this Session by Lala Hari Raj Swarup gave the estimated cost of purchase of the Bengal and North Western and Rohilkund and Kumaon Railways?

(b) What is the share capital of these two Railways?

Mr. A. A. L. Parsons: (a) Yes.

(b) *Bengal and North Western Railway:*

	£
Ordinary Share Capital	3,000,000
and also	
Preference stock $3\frac{1}{2}$ per cent. and 4 per cent.	3,000,000
In addition, debentures	1,313,666

Rohilkund and Kumaon Railway:

	£
Ordinary Share Capital	400,000
Preference stock 4 per cent.	400,000
In addition, debentures	800,000

Mr. Gaya Prasad Singh: When do Government propose to appoint a Committee to go into the question of the purchase of the Bengal and North Western Railway?

The Honourable Sir George Rainy: Before the end of this Session, Sir.

RATE OF PROGRESS IN INDIA.

677. ***Dr. Ziauddin Ahmad:** (a) Have Government seen the article "Five Hundred Years Hence" published in the *Muslim Outlook* of the 21st January, 1981?

(b) Are the figures about the rate of progress and the rate of retrogression as given in this article correct?

(c) If so, what steps are Government contemplating to take in order to reduce the period of 500 years?

Mr. A. A. L. Parsons: (a) Yes.

(b) The percentages of Muslims on State and Company-managed railways, as given in the article, which are what, I think, the Honourable Member refers to, are correct.

(c) The application of the existing orders of Government with regard to recruitment to the railway services will, as vacancies occur, secure the adequate representation of Muslims, as of other communities, in these services as quickly as possible; and the apprehension that it will take 500 years is, I can assure the Honourable Member quite unfounded. But the Railway Board are not satisfied that the practical measures taken to carry out the policy of Government have been fully effective; it has therefore been decided to depute two officers specially to deal with the question.

DISPOSAL OF BUILDINGS FORMERLY USED BY DISTRICT OPIUM OFFICERS.

678. ***Dr. Ziauddin Ahmad:** (a) Will Government be pleased to mention the names of the districts in the United Provinces from which the headquarters of District Opium Officers have been removed during the last five years?

(b) How did Government dispose of the buildings in each case?

(c) How many of these buildings were sold to private individuals and how many of them were transferred to the Government of the United Provinces and at what prices?

(d) How many buildings have not yet been sold or transferred to the Government of the United Provinces?

The Honourable Sir George Schuster: The information is being obtained and will be furnished to the Honourable Member in due course.

Mr. K. Ahmed: Are Government aware that the Opium House at Etawah is occupied by a non-official on payment of a certain amount of rent? If the answer is in the negative, will they be good enough to inform the House how the building is now utilised?

The Honourable Sir George Schuster: I am afraid the answer to both parts of the question is in the negative. I have no information on the subject, but I should be very pleased to go into the matter if the Honourable Member will put the statement of facts or the information which he requires before me.

Dr. Ziauddin Ahmad: Is it not a fact that the Opium House was handed over to the High Court, and the Munsiff and Sub-Judge are residing in the Opium House at Etawah?

* **The Honourable Sir George Schuster:** I have already informed the House that I have at the moment no information on the subject, but I should be very pleased to inquire into the facts.

Mr. K. Ahmed: Are Government aware that Dr. Ziauddin Ahmad is occupying that building, and being a non-official Member of this House, he is circulating to his colleagues . . .

Dr. Ziauddin Ahmad: It is not quite correct.

Mr. K. Ahmed: He is circulating to his colleagues from the Opium House a letter dated November 1930 from Etah asking them to attend a certain meeting to form a special coalition group in this Assembly?

EXPANSION OF PRIMARY EDUCATION IN THE NORTH WEST FRONTIER PROVINCE.

679. ***Dr. Ziauddin Ahmad:** (a) What steps have Government taken during the last three years for the expansion of primary education in the North West Frontier Province?

(b) What is the percentage of children now under instruction to the total children of school-going age?

(c) What is the percentage in the Punjab?

The Honourable Khan Bahadur Mian Sir Fazl-i-Husain: (a) During the three years ending the 31st March, 1930, 175 primary schools were opened, and 97 additional teachers were appointed to existing primary schools, and three additional Assistant District Inspectors of Schools were appointed. 162 buildings for primary schools were sanctioned and their construction is now either complete or proceeding.

(b) 26·1 per cent.

(c) 42·1 per cent.

SHORT NOTICE OF EXAMINATION FOR RECRUITMENT TO THE SECRETARIAT AND ATTACHED OFFICES.

680. ***Mr. S. C. Mitra:** (a) Is it a fact that an examination by the Public Service Commission of Departmental candidates for recruitment in the Government of India Secretariat and attached offices will be held on the 24th of February next?

(b) Is it a fact that the Government of India are issuing the usual notification regarding the examination in the next week?

(c) If the answer to part (b) above be in the negative, do Government propose to inform the candidates at least three months before the date of the examination as they did in the case of the General examination of the Public Service Commission? If not, why not?

The Honourable Sir James Oerlar: (a), (b) and (c). An examination for departmental candidates for filling certain vacancies in the Secretariat and attached offices will be held towards the end of March, and a notice will be issued at least one month before the examination. In the opinion of the Government of India one month is adequate for departmental candidates to prepare for the examination, especially as it has been generally known that such an examination would be held, although the exact dates have not been announced.

THE PEOPLES FAIR IN DELHI.

681. Rai Bahadur Sukhraj Rai: Will Government be pleased to state:

- (a) what is the actual expenditure incurred in connection with the Peoples' Fair held by the side of the old Delhi Fort;
- (b) what is the approximate number of stalls which were erected in the Fair and how many of them were actually occupied;
- (c) how many of these stalls were used for games;
- (d) whether there was any picketing at the gates by some ladies; and if so, whether they asked for Loycott on account of the preponderance of 'gambling dens' or on any other principle?

Mr. J. A. Shillidy: (a), (b), (c) and (d). The People's Fair below the Fort was managed by a Committee which was not an official body and the expenditure was met from private subscriptions, except that on fire-works which were paid for by Government. I regret, therefore, that I am not in possession of the information for which the Honourable Member asks.

Mr. K. Ahmed: Did not the Honourable Member ask us in the Standing Finance Committee to pass Rs. 20,000 or more for the fireworks?

Mr. J. A. Shillidy: That is quite correct.

Mr. K. Ahmed: Will he then kindly revise his answer?

Mr. J. A. Shillidy: I did not say that all the expenses were incurred by the Committee.

Mr. K. Ahmed: May I ask, Sir, that before spending this sum of Rs. 20,000 or more on fireworks, if the Honourable Member had not had time and opportunity to give us a chance to enter into the details and see whether the expenditure was justified, and whether something less than that could not have been enough?

Mr. J. A. Shillidy: It is a great pity that the Honourable Member asks questions before he listens to the answer. My reply was that the expenditure was met from private subscriptions except that on fireworks which was paid by Government.

Mr. Gaya Prasad Singh: Is it not a fact, Sir, that a sum of Rs. 40,000 was also spent by Government on illuminations, and the total expenditure, including that on fireworks, has come to over Rs. 60,000?

Mr. J. A. Shillidy: I have been referring to the question of expenditure incurred on the Peoples' Fair, and my reply was to that question.

ALLOTMENT OF SEATS FOR THE PEOPLE'S FAIR IN DELHI.

682. *Rai Bahadur Sukhraj Rai: Will Government be pleased to state:

- (a) who was in charge of the arrangements for the accommodation of the Members of the Legislatures in the Fort Buildings to enable them to see the Peoples' Fête;
- (b) why it is that no seats were allotted to them and some had to remain standing for want of accommodation; and
- (c) if it is a fact that the military officers sat in the front and occupied most of the seats that were there?

Mr. J. A. Shillidy: (a) The Central Public Works Department under the general directions of the Government of India in the Department of Industries and Labour.

(b) There were sufficient chairs inside the grounds to seat all guests.

(c) The military officers to whom the Honourable Member refers were the representatives of the Indian Army. Looking to their numbers, it would not have been possible for them to have occupied most of the seats in the Fort. The seats were not marked for individual guests and presumably those who arrived early took possession of the most favourable positions from which to view the events in the arena below.

Mr. K. Ahmed: In view of the fact that the Honourable Mr. Shillidy has been taking so much interest in the matter, did it not strike him as somewhat curious that the military people should have occupied the front seats and the ladies should have occupied seats behind them?

Mr. J. A. Shillidy: It is quite probable. But what I said was that the military officers to whom the Honourable Member referred were the representatives of the Indian Army. They came first and they took the most favourable positions.

Mr. B. Das: What is the convention that guided the Honourable Member's Department to make Members of the Legislature sit at the furthestmost corner in every public function that had been organised for this celebration?

Mr. J. A. Shillidy: There is no such convention in my Department.

Mr. B. Das: Does the Honourable Member take the responsibility of segregating the Members of the Central Legislature to the furthestmost corner in every public function?

Mr. J. A. Shillidy: I am a Member of the Assembly myself and I am not conscious that I segregated myself to the furthestmost corner anywhere.

Mr. B. Das: Has the Honourable Member's attention been drawn to the Press comments that the non-official Members of both the Chambers were relegated to the furthestmost corner, whereas only Government officials were allowed to sit near His Excellency the Viceroy?

Mr. J. A. Shillidy: No, Sir. There may have been Press comments, but as I explained last time, we were at particular pains to see that the Members of both this House and of the Council of State were given good seats from which they could both see and hear. I myself went down and looked at these seats before they were finally allotted and satisfied myself on that score. It was about the very first question that I raised, that the Members of the Assembly and of the Council of State should be given seats from which they could both see and hear.

(At this stage Mr. B. Das rose to put another question.)

Mr. President: Order, order. It is past twelve.

UNSTARRED QUESTIONS AND ANSWERS.

EXPENDITURE INCURRED ON THE WATCH AND WARD DEPARTMENT OF RAILWAYS.

212. **Lala Brij Kishore:** Will Government be pleased to state:

(a) what is the total amount of expenditure for the last year incurred on the Watch and Ward Department of the Indian Railways?

(b) what is the gain to the Railway Department on account of the maintenance of this Department;

(c) how much of this gain is to be ascribed to the Ellis patent lock system?

Mr. A. A. L. Parsons: (a) In 1929-30 the total expenditure on Watch and Ward was Rs. 45,12,000.

(b) Though, of course, the activities of this Department prevent losses both to railways and the public, it is not possible to say what extra losses would be incurred or extra claims for compensation have to be paid if the Department was not in existence.

(c) Similarly it is not possible to give any figure here.

SPECIAL OFFICERS EMPLOYED BY THE RAILWAY BOARD.

213. Lala Brij Kishore: Will Government be pleased to state:

(a) how many officers on special duty are employed with the Railway Board and what is the precise nature of their duties; and

(b) what is the total amount of expenditure for the last year incurred on these officers, their staff, pay and travelling allowance?

Mr. A. A. L. Parsons: (a) There are 16 officers on special duty under the Railway Board. A statement showing the nature of the duties on which they are employed is laid on the table.

(b) The total expenses incurred in 1929-30 for officers on special duty under the Railway Board was Rs. 1,85,270.

Statement showing the nature of the duties of officers on special duty under the Railway Board.

No. of officers.	Nature of special duty.
1	In connection with the purchase of sleepers and timber required for use on railways.
1	To assist the E. I. and E. B. Railways in effecting economy and to introduce changes in procedure which will lead to economy in printing charges including economy in the wages bills of these railways Printing Presses.
2	To investigate and report on the possibility of reducing the periodical returns prepared by State-managed railways and to make proposals for revising procedure with a view to effecting economies in establishment charges and contingencies.
1	In connection with the enforcement of the provisions of the Indian Railways Amendment Act 1930, regulating the Hours of Employment of Railway servants.
	In connection with the scheme for the Mechanisation of Accounts and experiments in regard to the introduction of Rate Registers on Railways.
1	In connection with the investigation into the suitability of the existing scales of pay of subordinate establishment including the clerical staff on State-managed railways.
1	To examine and report on the possibilities of reduction of expenditure on the repairs and maintenance of permanent way and of the structural works included in Abstract A of Railway Accounts on State-worked Railways.
2	In connection with the revision of State Railways Executive Codes.

No. of officers.	Nature of special duty.
1	In connection with the investigation into the existing system of imposition of debits on railway employees.
1	In connection with enquiries regarding rates and fares on railways,
1	To report on the location of the office and staff quarters for the Railway Clearing Accounts Office.
2	In connection with the framing of an estimate of the cost of giving assistance to railway employees towards the education of their children, and the preparation of a report on the question of the best method of Administration of railway Schools.
1	In connection with (i) the introduction of arrangements for the accurate preparation of the classified List of State Railways and the History of Services of Officers of Railways, (ii) framing of detailed proposals to give effect to the reorganisation of the Superior Cadre of State-managed Railways.

APPOINTMENT OF ASSISTANT AND DEPUTY ASSISTANT ENGINEERS IN THE POSTS AND TELEGRAPHS DEPARTMENT.

214. **Mr. Gaya Prasad Singh:** (a) Referring to my starred question No. 166 dated the 12th March, 1930, will Government please state if permanent Engineering Supervisors recruited according to the old method were informed at the time they were entertained in the Branch that their promotion to the grade of Deputy Assistant Engineer, which they would have got in the normal course had not the new rules been introduced, would be stopped and they could not hope for promotion beyond the grade of Engineering Supervisors?

(b) With reference to the same question will Government please state why new rules of recruitment to the cadre of Engineering Supervisors are to affect promotions of Engineering Supervisors already in the Branch and who were entertained when such rules were not in force and who joined the branch on the understanding that they would be eligible for promotion to the Deputy Assistant Engineer's grade according to the rules in force then?

(c) If in consequence of the issue of new orders the method of training of Engineering Supervisors for subsequent promotion to the Deputy Assistant Engineers' grade which was previously in force was abolished, why permanent Engineering Supervisors are not allowed to appear for the examination under the new method and why the new rules were not framed keeping in view the case of Engineering Supervisors recruited according to the method then in force?

(d) Have Government taken any action to remove the grievances of the 21 Engineering Supervisors who were given only one chance of appearing for the selection examination for subsequent promotion to the Deputy Assistant Engineers' grade held in 1927? If not, why not?

(e) Is it a fact that in the past the papers for the examination, such as referred to in my question No. 177 (b) of the 16th September 1929, were set in the office of the Chief Electrician, Calcutta? If so, was there any departure in 1927 in setting and valuing the papers for the examination referred to above? Why was this procedure altered in 1927? Is it a fact that when papers were set and valued in the Chief Electrician's office, no complaints or requests to re-value the papers were received from the staff or their Unions?

Mr. J. A. Shillidy: (a) The reply is in the negative so far as Engineering Supervisors recruited before 1st July, 1927, are concerned.

(b) As the Engineering Supervisors recruited under the old method were, generally speaking, not found to be of sufficient education to be trained for and to hold the posts of Deputy Assistant Engineers, the old method of promotion to the cadre of Deputy Assistant Engineers was abolished.

(c) The examination under the new method is held in order to select candidates for training and subsequent appointment as Engineering Supervisors and not for the promotion of Engineering Supervisors to the Deputy Assistant Engineer's grade.

(d) Government do not admit that these men who were given an opportunity of passing the examination in 1927 and failed to do so have any grievance.

(e) The reply to the first and the second part of the question is in the affirmative. The procedure was altered in 1927 for administrative reasons. The reply to the fourth part of the question is in the affirmative.

PERCENTAGE OF ANGLO-INDIANS AND INDIANS IN CERTAIN APPOINTMENTS IN THE POSTS AND TELEGRAPHS DEPARTMENT.

215. Mr. Gaya Prasad Singh: (a) Will Government please state the total number of appointments and the percentage of Anglo-Indians and the Indians separately in each of the following cadres of the Posts and Telegraphs Department: (1) Assistant Engineers, (2) Deputy Assistant Engineers, Class I, (3) Deputy Assistant Engineers, Class II?

(b) Is the percentage of appointments held by the Anglo-Indians greater than that of Indians or is it less? If it is greater, what are the reasons that such a small or minor community should secure a greater proportion of appointments?

Mr. J. A. Shillidy: (a) The information is furnished below:

Grade.	No. of appointments.	Anglo-Indians.	Indians.	Percentage of Anglo-Indians.	Percentage of Indians.
Assistant Engineer	15	15	Nil.	100 per cent	Nil.
Deputy Assistant Engineer, I class.	22	22	Nil.	100 per cent	Nil.
Deputy Assistant Engineer II class.	40	34	6	85 per cent	15 per cent.

(b) The percentage of Anglo-Indians is greater. This is due to the fact that the recruitment to the grades of Assistant Engineers and Deputy Assistant Engineers was made by eventual promotion from the ranks of General Service telegraphists who were mostly Anglo-Indians.

REDUCTION IN STAFF OF GOVERNMENT DEPARTMENTS.

216. **Sir Zulfiqar Ali Khan:** (a) Is it a fact that Government have ordered a reduction in staff of all Departments?

(b) If so, do Government propose to look into the desirability of retiring (i) such of the persons that have already rendered 30 years service; and (ii) such of them as have already attained 55 years of age?

The Honourable Sir George Schuster: (a) No general orders of this kind have been issued.

(b) Does not arise.

APPOINTMENT OF MUSLIMS AS TRAIN CONTROLLERS.

217. **Sir Zulfiqar Ali Khan:** (a) Is it a fact that very recently the North Western Railway Administration has promoted 51 persons of its staff to the post of Assistant Train Controller and only one of them is a Muslim?

(b) If so, will Government please state (i) for what reasons Muslims who were being trained in the duties of Train Controller have been left out in this way; and (ii) how many of those promoted as Train Controllers are Sindhi non-Muslims and what pay they were drawing before this promotion?

(c) Will Government please state (i) the total number of students that were selected for the different Railway Training Schools last year all over India and (ii) the number of Muslims in each?

Mr. A. A. L. Parsons: I have called for information from the Agent, North Western Railway, and will communicate with the Honourable Member on its receipt.

ACCIDENTS ON THE FOREST ROPEWAY WORK AT THAI.

218. **Khan Bahadur Haji Wajihuddin:** Will Government be pleased to state:

(a) the number of accidents which occurred on the Forest Ropeway work since it was started at Thai near Abbottabad;

(b) whether the Factory Act has been introduced in the province; and

(c) whether the accidents were treated according to the provisions of the Factory Act? If not, why not?

Mr. J. A. Shilldy: (a) Three.

(b) The Indian Factories Act applies to the North West Frontier Province.

(c) No. The Thai ropeway is reported to be outside the scope of the definition of "factory" in section 2 (8) of the Indian Factories Act.

EXPENDITURE ON THE FOREST ROPEWAY WORK AT THAI.

219. Khan Bahadur Haji Wajihuddin: Will Government be pleased to state:

- (a) the date on which the Forest Ropeway work at Thai was completed;
- (b) the total amount of expenditure incurred on the same;
- (c) the amount of annual receipts and expenditure of the work from the date it was started till 1st January, 1931; and
- (d) whether the work is carried on on the responsibility of a gazetted officer of the Department? If not, why not?

The Honourable Khan Bahadur Mian Sir Fazl-i-Husain: The information asked for is being collected and will be communicated to the Honourable Member in due course.

APPOINTMENT OF ASSISTANT PAY AND ACCOUNTS OFFICERS IN THE NORTH-WEST FRONTIER PROVINCE.

220. Khan Bahadur Haji Wajihuddin: (a) Will Government be pleased to state the total number of appointments of Assistant Pay and Accounts Officers in India and the number of appointments held by Muslims?

(b) Will Government be pleased to state if it is a fact that a second appointment of Assistant Pay and Accounts officer has lately been sanctioned for the North West Frontier Province? If so, do Government propose to consider the paucity of Muslim officers in the cadre and the desirability of appointing a Muslim for that province in which the Muslims form 95 per cent. of the population?

The Honourable Sir George Schuster: I would refer the Honourable Member to the reply I gave on the 17th February, 1931, to his identical question No. 205.

REPRESENTATION OF MUSLIMS ON THE GOVERNING COMMITTEE OF THE FRONTIER HIGH SCHOOL, PESHAWAR CANTONMENT.

221. Khan Bahadur Haji Wajihuddin: I. Will Government be pleased to state if it is a fact:

- (a) that according to the constitution of the Frontier High School, Peshawar Cantonment, the Deputy Commissioner of the District is an *ex-officio* President of the Committee Governing the School, and that he is the controlling authority of the Committee;
- (b) that against the conditions of the constitution, the non-Muslim element has monopolized the membership of the Committee, depriving Muslim residents of the Cantonment from their due share of representation on the Committee; and
- (c) that the number of Muslims on the staff of the School is not adequate?

II. If the answers to the above questions be in the affirmative, do Government propose to have the conditions of the constitution enforced?

The Honourable Khan Bahadur Mian Sir Fazl-i-Husain: The information is being obtained from the Local Administration and will be supplied to the Honourable Member on receipt.

BAD CONDITION OF ROADS IN PESHAWAR CITY.

222. **Khan Bahadur Haji Wajihuddin:** I. Will Government be pleased to state if it is a fact:

- (a) that the residents of certain mohallas of the City of Peshawar submitted representations to the Honourable the Chief Commissioner, North West Frontier Province, and other officers concerned last year regarding the greatest inconvenience caused to them on account of accumulation of mud on all the roads inside the town, which are rendered impassable after rain for weeks; and
- (b) that no such trouble exists in the mohallahs and bazaars in the Cantonment, because the roads there are in proper condition?

II. If the answers to the above questions be in the affirmative, do Government propose to:

- (a) cause inquiries to be made regarding the present condition of the roads and the reasons for the inconvenience caused; and
- (b) have the old and constant complaints of the residents of the town removed as soon as practicable by having the roads properly remodelled?

The Honourable Khan Bahadur Mian Sir Fazl-i-Husain: It is hardly likely that the sanitary condition of the mohallahs and bazaars of the Peshawar City is as good as that of those of the Peshawar Cantonment, and the attention of the Peshawar Municipality will be invited to the matter.

POLITICAL BODIES FORBIDDEN TO GOVERNMENT SERVANTS.

223. **Khan Bahadur Haji Wajihuddin:** With reference to the reply given by Government to question No. 605, asked on the 19th February, 1929, by Mr. Anwarul Azim, will Government be pleased to state:

- (a) whether the restrictions laid down in the Government Servants' Conduct Rules, prohibiting officials from taking part in political associations do not apply to officials taking part in Muslim Associations, Hindu Sabhas and Arya Samajes referred to in question No. 549, asked by the same questioner on the 13th September, 1928, and
- (b) whether the Muslim Associations, Hindu Sabhas and Arya Samajes come under the category of political bodies?

Mr. J. G. Acheson: Enquiry has been made from the Local Administration, and the information will be sent to the Honourable Member in due course.

UNRELIABLE VOTERS' REGISTERS FOR THE MUNICIPAL ELECTION IN THE CITY OF PESHAWAR.

224. Khan Bahadur Haji Wajihuddin: I. Will Government be pleased to state if it is a fact:

- (a) that municipal election was introduced in the City of Peshawar for the first time in 1929;
- (b) that an inexperienced junior official was deputed for the preparation of voters' registers;
- (c) that the officer refrained from exercising due supervision in the preparation of the important registers and the work was left entirely in the hands of inexperienced and raw youths employed as Munshis;
- (d) that both Hindus and Muslims complained of the voters registers being unreliable, incomplete and worthless on the ground that many educated and respectable people had been omitted and men of straw and minors who were not eligible were enfranchised;
- (e) that the officer mentioned at (b) who was appointed a presiding Magistrate sanctioned numerous applications for correction of wrong entries in the registers presented in the course of voting proceedings and that the anomalous proceeding was ordered by the Deputy Commissioner to be cancelled;
- (f) that in fact the result of election was seriously affected by such enfranchisement of ineligible people?

II. If answers to the above questions be in the affirmative, will Government be pleased to state if

- (a) the District authority inquired into the unreliability of the registers; if not, why not; and
- (b) the local Government caused inquiries to be made into the conduct of the official under reference; if not, why not?

The Honourable Khan Bahadur Mian Sir Fazl-i-Husain (to questions Nos. 224 and 225): It scarcely seems necessary to make inquiries about the election of 1929, as now, in 1931, the franchise is being changed, the words are being changed, and a completely new system is being worked out. The attention of the Chief Commissioner will however be drawn to this matter.

ALLOTMENT OF SEATS FOR VARIOUS COMMUNITIES IN THE MUNICIPAL COMMITTEE OF PESHAWAR CITY.

†225. Khan Bahadur Haji Wajihuddin: (a) Will Government be pleased to state whether the following elected and nominated seats had been allotted to the members of the Committee of Peshawar City on a population basis in 1929:

	Elected.	Nominated.	Total composition.
Muslims . . .	5	3	8
Hindus . . .	2	2	4
Sikhs . . .	1	2	3
Total . . .			15

† For answer to this question, see answer to unstarred question No. 224.

(b) If the answer to the above question be in the negative, will Government be pleased to state on what consideration the above seats had been assigned in both cases?

EXPENDITURE INCURRED ON THE MUNICIPAL ELECTION IN PESHAWAR CITY IN 1929.

226. Khan Bahadur Haji Wajihuddin: (a) Will Government be pleased to state the total amount of expenditure incurred by the Peshawar Municipality in the purchase of papers, printing and salaries of officers and establishment employed on the preparation of voters registers in 1929? Is it a fact that these registers ultimately turned out to be unreliable and worthless?

(b) Will Government be pleased to state if it is true that a sum of about Rs. 40,000 was spent by the Municipality on the work?

(c) If the answer to part (b) above be in the affirmative, will Government please state who is responsible for the waste of the public money?

The Honourable Khan Bahadur Mian Sir Fazl-i-Husain: Information is being collected and will be supplied to the Honourable Member when available.

INTRODUCTION OF THE ELECTIVE SYSTEM IN CANTONMENTS IN THE NORTH WEST FRONTIER PROVINCE.

227. Khan Bahadur Haji Wajihuddin: (a) With reference to the reply given by Government to question No. 382, asked on the 18th September, 1928, by Maulvi Sayyed Murtuza Sahib Bahadur, will Government be pleased to state whether it is a fact that:

(a) (i) the elective system is again being introduced in the Municipalities and District Boards of Peshawar and other towns in the North West Frontier Province this year; and

(ii) it is proposed not to introduce the same system in the Cantonment Board of Peshawar and other Cantonments?

(b) If so, will Government be pleased to state:

(i) why the residents of the cantonments are being deprived of the privileges granted to those of the towns in the North West Frontier Province; and

(ii) on what grounds the discretion of the Local Government disallowing the introduction of the elective system in cantonments of the province is based?

(c) Are Government aware that the Muslim residents of Peshawar Cantonment have lately submitted a representation to the Local Government on the subject? If so, do Government propose to accede to the request of the people?

Mr. G. M. Young: The attention of the Honourable Member is invited to my reply to his unstarred question No. 130, dated the 28th January, 1931. The Report has just been received from the Local Administration and the matter is receiving the attention of the Government of India.

SERVICE CONDITIONS OF TELEPHONE OPERATORS.

228. **Mr. Amar Nath Dutt:** (a) Has the attention of Government been drawn to the letter entitled "Service condition of telephone operators" published in the *Liberty* of the 14th October, 1930? Is it a fact that the posts of telephone operators are not pensionable? If so, do Government propose to make those posts pensionable or grant them any bonus or gratuity?

(b) Is it a fact that the telephone operators have no prospect in the department? If not, will Government be pleased to state whether there is any provision for their technical training?

(c) Is it a fact that the scale of pay of operators in Patna Division are of four kinds, i.e., Rs. 35 to 75, 40 to 80, 35 to 135 and 40 to 140? Is it a fact that all the four grades have the same responsibilities and perform the same nature of work? If so, will Government please give reasons for such difference in pay?

(d) Is it a fact that the telephone operators do not enjoy any holiday throughout the year? Will Government please say if the telephone operators are given any compensatory allowance for working even on holidays? If not, will Government please state reasons for the same?

(e) Is it a fact that there are no Selection Grade appointments for telephone operators? If not, will Government please state the reasons?

Mr. J. A. Shillidy: (a) First part—Yes.

Second part—The services of those appointed on or after the 1st March, 1919, are non-pensionable.

Last part—There are no such proposals before Government.

(b) It is not quite correct to say that telephone operators have no prospects. Those telephone operators who fulfil the conditions prescribed for direct recruits for appointment to the cadre of Engineering Supervisors are eligible for promotion to that cadre. The second part of the question does not arise.

(c) The scales of pay of class I operators in the Patna Division are Rs. 40—140 and Rs. 35—135, the higher scale being fixed for Patna City only in consideration of the higher cost of living. For similar reasons, class II operators draw either Rs. 40—80 or Rs. 35—75 according to the localities in which they are employed. The nature and responsibilities of work performed by both classes are approximately the same, but class I operators are usually employed in larger exchanges.

(d) Telephone operators ordinarily perform 50 hours' duty per week. They are granted overtime for any duty performed in excess of 50 hours per week.

(e) Yes, Government considered that Selection Grade posts for telephone operators were not required.

SALE OF MEAT IN PESHAWAR.

229. **Khan Bahadur Haji Wajihuddin:** (1) Are Government aware that:

(a) there is a fortified market in the Peshawar Cantonment, away from the Bazar in which mutton is sold, for which licensed Muslim butchers are required to pay Rs. 2,864 per mensem as rent of the Cantonment shops in the market for the current year;

- (b) licences have been granted to Sikhs since for years to sell Jhatka-meat openly in the Sadar Bazar on payment of 0-2-0 per head as slaughter fee; and
- (c) great indignation prevails among the Muslim residents of the Cantonment for hurting their religious susceptibilities?

(2) If the reply to the above question be in the affirmative, do Government propose immediately to stop the open sale of Jhatka-meat in the Sadar Bazar and confine the same in a walled building at a distance from the Bazar, or allow the sale of mutton, etc., in the Bazar as is being done in the City of Peshawar?

Mr. G. M. Young: I am making enquiries and will let the Honourable Member know the result in due course.

GRANT OF LAND FOR THE CONSTRUCTION OF AN ISLAMIA HIGH SCHOOL IN PESHAWAR.

230. Khan Bahadur Haji Wajihuddin: (1) With reference to paragraph 4 of the reply given by Government to question No. 661, asked by Mr. Muhammad Ismail Khan on the 19th February, 1929, on the subject of the Peshawar District Headquarter's refusal to grant a piece of land outside Edwards Gate of Peshawar City for the construction of an Islamia High School, Peshawar Cantonment, on the ground that it was left open as a sanitary cordon between the City and Cantonment, will Government be pleased to state if it is a fact that the land applied for is being actually used for public latrines?

(2) In the interests of the health of the troops, do Government propose to remove the latrines under reference from the ground immediately?

Mr. G. M. Young: (1) According to the information of Government, the answer is in the negative.

(2) Does not arise.

REPRESENTATION OF MUSLIMS IN THE OFFICE OF THE DIRECTOR GENERAL OF POSTS AND TELEGRAPHS.

231. Khan Bahadur Haji Wajihuddin: (1) Will Government be pleased to state:

- (a) the present number of Assistant Directors General (acting and permanent hands to be shown separately) working in the Office of the Director General of Posts and Telegraphs in India and the number of Muslims holding the same; and
- (b) the number of Hindus and Muslims holding the twenty Selection Grade appointments ranging in pay from Rs. 300 to 750, in the same office?

(2) In case the Muslims are under-represented in the service or are conspicuous by their total absence, will Government be pleased to state what measures they propose to adopt to remove this state of things?

Mr. J. A. Shillidy: (1). (a) Four permanent and three officiating. One Muslim is officiating as Assistant Director-General.

(b) There are only 17 posts of Superintendents to which the Honourable Member is presumably referring. Of these 16 are held by Hindus and one by a Christian.

(2) Government are not unmindful of the claims of the Muslim community, but I would remind the Honourable Member that appointments to the posts he mentions are made by promotions within the service.

APPOINTMENT OF MUSLIMS IN VARIOUS OFFICES IN THE NORTH WEST-FRONTIER PROVINCE.

232. **Khan Bahadur Haji Wajihuddin:** (1) Is it a fact that:

(a) sanction has been accorded by Government to the formation of a new district with headquarters at Mardan in the Peshawar District;

(b) on the retirement of the present non-Muslim incumbent the appointment of Head Clerk of Peshawar District Office will fall vacant shortly;

(c) in the Offices of:

(i) The Honourable the Commissioner,

(ii) The Judicial Commissioner,

(iii) The Revenue Commissioner,

(iv) The Irrigation Secretariat, and Divisions,

(v) The Police Department, Peshawar,

(vi) The Deputy Commissioners of the five districts, and

(vii) The Peshawar Municipality,

the permanent appointments of Head Clerks, Head Assistants and Superintendents are held exclusively by non-Muslims who have enjoyed the monopoly of the same from time immemorial; and:

(d) Government informed this House in reply to Question No. 454, asked by Mr. Muhammed Ismail Khan in last year's Delhi session in the following terms:

"No precise proportion has been fixed but every consideration is being paid to the claims of the increasingly large number of educated Muslims now available"?

(2) If the replies to the above questions be in the affirmative, do Government propose to appoint qualified senior Muslim permanent residents of the Province as Head Clerks for the new and Peshawar District Offices?

Mr. J. G. Acheson: (1). (a) No, Sir.

(d) Yes, Sir.

(1) (b), (c) and (2). The information is being obtained and will be supplied to the Honourable Member when received.

THE RAILWAY BUDGET—LIST OF DEMANDS.

SECOND STAGE.

Mr. President: Before the House takes up the question of Demands for Grants, I should like to make a few remarks as regards the procedure to be followed. I find that, in the past, Rules and Standing Orders have been construed to mean that the original Demand should be taken as a substantive proposition and motions for reduction or omission as amendments. On that construction, no right of reply has been allowed to Honourable Members who move motions for reduction or omission. I have examined the Rules and Standing Orders on the subject, and I find that propositions for reduction or omission are motions. I would draw the attention of Honourable Members to Rule 48 and Standing Order 72, in both of which proposals to omit or reduce any grant are described as motions. That being so, I should like to invite the attention of the House to page 22 of the Manual of Business and Procedure, which provides the right of reply. Under para. 60 (3) of the Manual, it is stated:

"A member who has moved a motion may speak again by way of reply, and if the motion is moved by a non-official member, the Member of the Government to whose department the matter relates may, with the permission of the President, speak after the mover has replied."

It appears to me that the procedure laid down is quite clear and it entitles those non-official Members, who have given notice of a motion to reduce or omit a grant, to a right of reply. I propose to allow that right to them during the discussions that will take place today and on subsequent days. (Applause.)

DEMAND NO. 1.—RAILWAY BOARD.

The Honourable Sir George Rainy (Member for Commerce and Railways): I move:

"That a sum not exceeding Rs. 11,50,000 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending the 31st day of March, 1932, in respect of 'Railway Board'."

Mr. B. Das (Orissa Division: Non-Muhammadian): I do not move motion No. 1.*

Mr. S. C. Shahani (Sind: Non-Muhammadian Rural): I do not move motion No. 2.†

Retrenchment.

Mr. B. Das: I move:

"That the Demand under the head 'Railway Board' be reduced by Rs. 1,15,000."

Sir, everybody knows what a bad year we are passing through, and the Railway Member, of course, had to pass very bad nights in order to frame his Budget, and he has brought out a Budget showing a deficit of several crores. But the remedies and palliatives that he has applied to meet that deficit and to meet future deficits do not meet with the approval

*"That the Demand under the head 'Railway Board' be reduced by Rs. 11,49,900."

†"That the Demand under the head 'Railway Board' be reduced by Rs. 3,03,000 (Economy and Indianisation)."

[Mr. B. Das.]

of this side of the House. In the general discussion on the Railway Budget various suggestions for retrenchment were put forward from this side of the House. The Honourable the Railway Member did not like to discuss them then as he expected that there would be a discussion to-day and he would reply and give the definite views of the Government of India as regards retrenchment and reduction of expenses so that this heavy deficit Budget could be transformed into a balanced budget.

Before going into the merits of my proposals, I would like to reply to the observation made by the Honourable Sir George Rainy the other day, and say that, though I was unfortunately absent and not able to listen to his speech on the day of the introduction of the Budget, I read through his speech carefully, and from the remarks of the Honourable Member the other day, I fear that he did not understand the speech that I made on the general discussion of the Railway Budget. I made various suggestions so that Government could come forward and speak out boldly, but my Honourable friend has preferred to play a waiting game, but I do not know how long that will last.

Sir, to sum up the various suggestions that were made on that day from this side of the House, one of the most important points that were made was that there should be a general reduction of salaries. Some proposed that there should be a reduction of ten per cent. My Honourable friend, Mr. Ranga Iyer, myself, Mr. Shahani and Dr. Ziauddin Ahmad advocated that there should be a sliding scale of reduction. I want to press on the attention of the Government that the reduction should take place immediately and it should be on a sliding scale. I agree with the observations of my Honourable friend, Sir George Rainy, that if any reduction is to take place it must apply to men drawing salaries of Rs. 30 and more. I do not like to go below Rs. 30. The scale of adjustments should be such that men drawing from Rs. 30 to 100 would have a reduction in their salary of 10 per cent., from 100 to 250, the reduction should be 12½ per cent., from 250 to 500, 15 per cent., and in the case of those who are on top, drawing salaries above Rs. 1,000, the reduction should be 25 per cent. By this means there would be a certain saving to meet the heavy deficit of the year.

The reduction of the salary is only one aspect of the question. There should be drastic retrenchment. I pressed last year and also the other day that there should be the immediate appointment of a Retrenchment Committee. I am sorry my Honourable friend Sir George Schuster is not here. The Finance Member has to play a big part in the matter of finance and in his absence I do not know whether my friend the Railway Member will be able to meet all the charges that may be levelled against the Treasury Benches in respect of the financial control of the railways. I hope the Honourable Sir George Schuster will be able to come this afternoon with the notes prepared by his Department and will be able to give a reply on the proper financial control and the question of retrenchment that will be raised on this side of the House. A plea may be put forward that the Secretary of State, who still wags his tail from Whitehall, may have to be consulted in this matter. Pending the approval of the Secretary of State and the sanction of the Governor General in Council for the appointment of the Retrenchment Committee,

I suggest that immediately an Indian official of the Indian Finance Department should be appointed as the financial expert to control the expenditure of the Railway Department. I do not mean any disrespect to my Honourable friend Mr. Parsons. He is the Financial Commissioner. At the same time he is a Member of the Railway Board. Although Mr. Parsons tries to separate himself at times, from his dual life, I think it is very difficult for one who is so closely identified as a Member of the Railway Board to keep up the financial control that is necessary. I suggest both to the Finance Member and the Railway Member that an Indian official of the Indian Finance Department should be appointed, and in case he finds his task too difficult, if he is a low paid man as compared with the Members of the Railway Board, his salary and remuneration should be such that he can control the Members of the Railway Board. He must at least get a salary of something more than Rs. 5,000, which the Chief Commissioner of Railways gets for his mismanagement and bad control of the Railways. That is my immediate suggestion. Everybody who has gone through this blue book knows that there are so many extra officials, so many special officers. I think if an officer of the Indian Finance Department applies his scrutiny, most of these officers will have to sail the next day from Ballard Pier, or most of them will have to revert to their offices where they would not draw the fat allowances that Messrs. Parsons and Hayman permit them to draw and quite uselessly too.

This is the cut of 10 per cent. of which I have given notice and I hope we will be able to carry it through the mercy of God and with the goodwill of all my friends, including Mr. Ramsay Scott, who played an important part in the Public Accounts Committee and pointed out various jobberies and various ways of mismanagement whereby money is squandered. If we carry this cut through, it will be an indication to the Government that there should be a ten per cent. cut throughout in the 13 Demands. I will exclude the Audit Department because it comes under the Finance Department, but if the Honourable the Railway Member in applying the axe wants to reduce the salary of the Audit Department also he might do one thing. He can get hold of low paid officers from the Finance Department and transfer some of these gentlemen to the Finance Department. With that view, I have given a cut of 10 per cent. throughout except the Demand relating to surplus profits of the Company-managed railways and also the Demands relating to Appropriations to and from Depreciation Fund, because these are charges that must be met, but eventually, if the expenses are reduced, probably some of the charges will have to be revised and will have to be lowered. While talking of the Depreciation Fund, I find that there is an unholy desire on the part of the Railway Board to spend as much of the accumulated balance in the remodelling of stations and in the replacing of trucks without any consideration as to whether they are immediately necessary or not. So far Mr. Parsons or the Chief Commissioner of Railways or the Railway Member has not brought out any statement before this House or before the Public Accounts Committee showing whether the remodelling of stations like Cawnpore, where money has been spent like water for providing big accommodation and station yards, has brought any increment in the revenue of the railway. That is a point which the Railway Board and Mr. Parsons have never answered. That is a point that ought to be brought out every year in the speech of the Honourable

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the Railway Member or in the White Paper which is called the Explanatory Memorandum. This Explanatory Memorandum is a thing which puts everybody off the scent. There is nothing in it which gives people any real idea of the management of the railways, or the real financial control of the railways. Sir Frederick Gauntlett, a former Auditor General, before he left India, submitted to the Secretary of State a review of the financial position of all Departments of the Government of India and in that Report, which Mr. Jukes drafted for Sir Frederick Gauntlett, a certain significant observation was made as to the proper way of spending money from the Depreciation Fund. As I observed the other day, my Honourable friend the Leader of the House is too busy with various important matters to look into the observations from the Auditor General, or the remarks made by the Public Accounts Committee. It is the duty of my Honourable friend, Mr. Parsons, to see that these important observations, whether of the Public Accounts Committee or of the Auditor General, are brought to the notice of the Honourable the Railway Member and specific action taken thereon. It is no use to wait till my Honourable friend, Dr. Ziauddin Ahmad spots a thing and puts an interpellation and then with his Secretariat staff to proceed to draft a reply which will please nobody. It is no use doing that. If you want to meet us fairly and squarely, meet us, bring out those points that have been raised whether by a Committee of this House or whether by those whose authority and whose integrity nobody challenges, for instance, the Auditor General, and those points, Sir, must be met. I will now read that particular passage :

"As regards the Depreciation Fund, it appears at first sight that, in view of its accumulated balance and of the recurring margin between the annual appropriation to the fund and the actual expenditure on renewals and replacements, a reduction of the former is a practicable measure if the present allocation between Capital and Revenue is to continue. Sir Arthur Dickinson has, however, recommended a reversion to the old allocation; and if his advice is accepted, the present margin is likely to be considerably diminished."

I am coming now to the later portion which contains Sir Frederick Gauntlett's conclusion in the matter:

"Moreover, it must be remembered that the assets of the Railways have increased enormously in recent years, and that the real object in accumulating a Depreciation Fund is to provide, not for the comparatively limited renewals of the present, but for the more expensive replacements of the increased assets which will undoubtedly be necessary in the future."

I do not know whether the Chief Commissioner of Railways or my friend, the Financial Commissioner, or the Honourable the Railway Member are bearing in mind, not this suggestion but this mandate from the Auditor General that they will have to bear in the near future the more expensive replacements of the increased assets. So far, Sir, I have dealt with the Depreciation Fund. I find that that Fund is not properly controlled or properly accumulated.

Sir, one reason I suspect why my Honourable friend, the Railway Member, took a special delight in the fact that he has done his utmost to reduce the expenditure under the various heads. I find there is an unholy

attempt by the Railway Board to increase the charges on the non-voted side and to reduce the charges on the voted side. Sir, this is an important point. With the statutory changes, there will be no non-voted heads at all in any of the Departments of the Government of India. ("Hear, hear.") When Railway finance was separated from general finance, many of us on this side of the House were under the impression that no more British officials or allied officials would be recruited and put on the non-voted side. Sir, I find that even in the Publicity Department people are put on the non-voted side. Why this mistrust of this House, I ask? I want a reply from the Honourable Member. Why are those people not put on the voted side? Sir, when one is put on the non-voted side, he simply laughs at us, because he knows he is not controlled by any action of this side of the House. I have made a comparative statement of the alarming increase in the non-voted figures. Thus, in 1930-31 the revised figure under the Demand "Railway Board" for non-voted items was 3.70 lakhs. In 1931-32 it has gone up to 4.62 lakhs, which means an increase of Rs. 90,000. I have also gone into the previous four years' expenditure. I find it is somewhere near the figure of 3.70 lakhs. Is it because the Railway Board are afraid that since after the statutory changes there will be complete control by us, they must do what they can to pack officers on the non-voted side? Then under the next head "Inspection", it was Rs. 2 lakhs. Now it has gone up to 3.10 lakhs. That means an increase of Rs. 1,10,000 in the expenditure on the non-voted side. Then on the Audit side, there is an increased expenditure of Rs. 4,15,000. Then under the Demand No. 4 under "Working Expenses" there is an increment of Rs. 55 lakhs. Well, my friend may contend that they are building so many new railways. But who wanted this new-line construction? Nobody from this side wanted that: and under the plea of open line construction so many new officers are engaged in the temporary and covenanted service and they are all put on the non-voted side, so that they are put beyond control from this side of the House. I think, Sir, this is a very unjust way of playing a trick behind the back of the Assembly and bringing in more officers than are necessary. Sir, if I recollect aright, the Finance Department possesses a White Paper where it is recorded that there are only seventeen Departments, which should not be controlled and which should have non-voted expenditure. But nobody expected that, with the introduction of the Montagu-Chelmsford reforms, the expenditure on non-voted heads would accumulate every year. Nobody even expected that the Indian Stores Department, which is a baby of this Assembly, would contain so many European officers—to the extent of 60 per cent.—and that they would be even classed as non-voted. Sir, it is a downright shame the way the Government of India keep officers of this class in their secret preserve, and in their disdain of non-official control entrench themselves and provide for increased officials on the non-voted side. Sir, as I observed, I want these reductions of ten per cent. all over, as the Railway Board happen to be the controlling authority which controls the expenditure of these grants.

Now I come to Demand No. 4—"Railways, Commercial Lines, Working Expenses, Administration". Of course I have already observed that the expenditure on the non-voted side has been increasing alarmingly. Last year when I was speaking on this very Department, I made five suggestions to my Honourable friend, Mr. Parsons, who said that he could only agree indirectly with one of my observations in that he would like to have a technical Member of the Railway Board to meet the technical points raised. Sir, I have no quarrel with my Honourable friend, Mr. Parsons,

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or with Mr. Hayman. Both belong to the Finance Department, both work honestly, and they are supposed to exercise proper financial control over the Railway Board, but where is that culprit, the man who advised my friend, Mr. Parsons, and the Honourable Sir George Rainy to spend crores of rupees? Of course I am grateful to the Government of India that they now permit the Chief Commissioner of Railways to appear as the chief witness before the Public Accounts Committee. Last year we examined Mr. Russell. We conceded that he is new to the Railway Board and is a new member in the Government of India and therefore we did not like to be very hard upon him. We asked him simple questions on financial control and he had no knowledge of them. He began to talk of reduction of cost on passenger mileage when we are looking to commercial efficiency. We told him that the Railway Board is a body who work as the managing directors of the Railway Administration and we are the other directors on behalf of the people of India. I repeat that through the Honourable the Railway Member to the Railway Board and the technical staff of the Railway Board. The present capital of the railways is 798 crores and we have to remember that 350 crores was written-off. Does the present capital of 798 crores earn any revenue? I asked Mr. Russell about the Appropriation Accounts and the Report prepared by Mr. Kaula, the Director of Railway Audit, on pages 20-21 thereof,—Profit and Loss to Government and the Return on Capital Charges. He did not seem to have seen the Appropriation Accounts. One will see that the Bengal Nagpur Railway runs at a loss, and so also the North-Western Railway. As I reminded my Honourable friend Mr. Parsons this morning, the North Western Railway, with a capital of 136 crores, had a deficit budget in 1929 and so it is today. The other railways hardly pay 2 to 3 per cent. Some Railways pay only .5 per cent. I asked Mr. Russell whether as the Managing Director he would tell me if he was giving a sufficient and adequate return to the people of India who have invested 798 crores in the railways. Sir, I am indebted to my friend Dr. Ziauddin Ahmad who has just given me the percentage which is given in the Railway Administration Report. The percentage varies from 4 to 6 per cent. except the North Western and the Bengal Nagpur Railways, which are running at a loss. But is the control of these technical members of the Railway Board such that they do not land the Government of India into a hole and make them commit expenditure by which the Government of India cannot derive even the interest charges on the railways, as has happened this year? This is all due to mismanagement and lack of knowledge on the part of the technical members of the Government. And it is a misfortune that these technical officers cannot be brought to book. And whenever any question is asked about them, we are told that they have left for England with their Provident Funds and gratuities and are therefore beyond control. Who was responsible for that big muddle of the Kangra Valley Railway, where three crores of rupees were spent? And that Agent of the North Western Railway, Sir Austen Hadow, became the Chief Commissioner of Railways and the chief technical adviser to my Honourable friend Sir George Rainy. Who was responsible for the administration of the Great Indian Peninsula Railway, where a deliberate attempt was made not to spend any money on replacements and repairs, etc., because that railway was going to be purchased by the Government of India? The same thing happened on the East Indian Railway. These company-managed railways spend very little money on repairs, replacements and renewals. Mr. Russell is the

gentleman who was responsible, and today he is the trusted adviser of my Honourable friend, Sir George Rainy. When he was asked how it is that the State railways are running at a loss, and what account he would give to his shareholders, he said he was looking to the technical efficiency of the railways and the reduction of cost on train mileage per head of passengers or for a ton of goods. But what does a layman understand of efficiency in fuel charges and fuel costs if the net result is a deficit Budget? So I say that the Railway Member must have to revise his policy of administration and the control of the railways in India. The men who have started at the bottom of the Indian State railways or company-managed railways rise to be Agents. They come to the Railway Board and try to initiate no forward policy. They are absent from Europe and England and America. They are devoid of knowledge; they are moving in a groove of racial acrimony and animosity, and they are moving in a sphere where there is no engineering and technical atmosphere. They cannot render proper advice nor service. I suggested already the immediate appointment of a financial expert as Retrenchment Officer, pending the appointment of a Retrenchment Committee. I suggest it once again and in that this House will only be too glad to sanction any amount that may be necessary. My second suggestion is that Government should immediately get from England or America a railway expert who will be the technical adviser only to the Railway Member and the Government of India and not to the Railway Board. Then only proper control can be exercised and the railways will not run at a loss.

The other day I observed that the Americans have controlled the Tata Hydro-Electric concerns in Bombay. While I regret that much, I must give credit to these Americans for what they have done. They have increased the commercial efficiency of these three concerns and they are not obsessed with the idea that they must have their own kith and kin in the various departments. They have driven out all Americans who were engaged before by Tata's, and the man who is in charge there has brought down the expenditure there by reducing the staff and by Indianising them. While talking of technical control, I am not saying anything about Indianisation. But I do maintain that by Indianisation even the staff can be reduced. But here what is the system of promotion in the Government of India or in the Railway Board? X must follow the footsteps of Y because X is junior to Y by two months. There is no idea of efficiency, knowledge and experience; and whatever services Sir Clement Hindley, Sir Austen Hadow or Mr. Russell might or may have rendered to British trade and the British engineering industries, they have rendered no service to India. They have gone on increasing the debt of India. They have brought the railways to such a pass that we have now a deficit Budget. To avoid that position, I ask the Railway Member to consider whether the time has not come when the Railway Board should be also reorganised. There should be men there well conversant in the management of railways. I would not mind getting a technical expert from England immediately if I had my own way.

Regarding grant 'No. 5 where also I have given notice of a cut, I have to observe that a large amount of money is wasted on remodelling. There is no necessity of this remodelling. There is no saving under such remodelling nor on the various schemes of electrification of railways. Can my Honourable friend, Mr. Parsons, with all his knowledge and experience, say that he has increased the revenue of the Great Indian

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Peninsula Railway by half per cent. or a quarter per cent. by the electrification scheme over which he and his predecessor Mr. George Sim were so jubilant? Of course my friend, Mr. George Sim, because he patronised so much the British industries, is today a big bug in Vickers! That should not be the policy of the railways. The man who patronises the best English industries, when he retires or goes back to England is given a big job in some British organisation. That has been the policy of all the Chief Commissioners in the past, and the present one is a doubtful question. Time will show whether that will succeed. (Interruption.) I am very sorry if I had been hard on Mr. George Sim. I recollect now he is dead. I feel sorry I had to criticise him. He was a particular friend of mine as a Member in this House. But I was criticising his policy and in the matter of policy friendship does not come in. Though in the lobby Mr. Parsons and I are the best of friends, here I can criticise his policy.

Sir, as I observed a few minutes ago, the Explanatory Memorandum gives no information. Last year in the Public Accounts Committee the Department had been questioned whether these 200 to 300 crores of rupees which you have committed India to capital expenditure was a paying proposition, whether each of these new extensions has proved to be a paying proposition. Of course we cannot bring the Engineers to task because all of them are dead or are retired officials in England. But I wish to point out that we should learn from their mistakes in the past, from the grave errors they had committed in the past, and not commit them again in the future. The Department, in spite of so many special officers, cannot put an officer on the work of bringing out the financial result of these new extensions, and except one or two schemes, I am of opinion that not a single scheme was justified. They were brought out because the English railway appliance manufacturers must receive orders, because rails must be purchased from England. Though Tatas supply a few hundred thousands of rails, what about the company-managed railways who never buy rails from Tatas and used to buy British rails under the Palmer combination? There are such things going on, and I want the Honourable the Railway Member to change the policy of his Department. The railways should exist for the larger interests of the public, as public carriers, to develop Indian industries, Indian trade and Indian commerce and Indian engineering industry as well. In the past it has been the policy to develop only the British engineering industry. Whether the Honourable Member does it today or not, I can assure him, three years hence if I am a Member of this House, I will see that the Government Members sitting on that side of the House will see to it that the Indian railways are only provided with materials manufactured in India. (Hear, hear.) The Honourable Member has done little, has done nothing in that direction. There will be other speakers who may like to speak, and so I will close. I will state only one more issue whereby the expenditure can be reduced. If anybody has taken a little interest in the accumulated store balances of the railways, he will find that there are always stores of 16 to 18 crores lying in the different railways. That happened when the Government of India had plenty of money, when the Agents, the Chief Engineers and the Store Keepers used to buy their stores in excess of their requirements simply because they wanted to patronise a particular engineering firm in London, because a certain particular engineer wanted to patronise a friend in England by ordering locomotives or wagons. Whether they were necessary or not, it

did not matter much to him. That was the policy in the past. Everybody who has read about the stores muddle in the East Indian Railway will understand this. We know that the Financial Commissioner and the Government of India have promised to organise this and I hope a certain control has been established. But the time has come when the Government of India should control the purchase of the new stores. There is no necessity of purchasing 30 crores worth of stores every year and keeping a store balance of 16 crores, especially when one has no money. If such a policy is done away with, such scandals like the Church case as we saw in the East Indian Railway will disappear whereby a particular gentleman could enrich his pocket and suddenly leave India. The Honourable Sir James Crerar has got many weapons in his pocket whereby he can catch hold of B. Das or anybody in this House or outside and put him into jail. No Britisher, no alien official who serves India and becomes a traitor to the Government of India's interests, and mismanages the whole thing and takes away money to England, can come under Regulation III of 1818. That regulation does not apply to him. Of course my friend, the Honourable the Railway Member, is now the Leader of the House and I will give him a political suggestion. Why not apply Regulation III of 1818 to such persons as have added to the deficit of the present railway administration? Hence is my very important suggestion that the store balances should be reduced and that no stores should be purchased unless they are absolutely necessary. I therefore commend my cut to my Honourable friends on this side of the House, all non-official Members, whether European or Indian. We cannot allow the Railway Member to go on with this deficit, and if we allow him to go on in this way, the Railway finance will be a burden on the General finance, as it was 25 or 30 years ago before the separation. So it is our duty to see that the railways cut their coat according to their cloth. If we have a 10 per cent. reduction all over, we can reduce the deficit. We can dismiss a few officers. They need not buy surplus stores, solely for the purpose that British manufacturers at home may get orders and there will be less unemployment in England. It is for these reasons and it is because of these bad times that I ask every Member of the House to support me in the motion I have brought forward.

Mr. C. S. Ranga Iyer (Rohilkund and Kumaon Divisions: Non-Muhammadan Rural): On a point of order, Sir, I do not know under what specific item or purpose Mr. B. Das wishes his cut to come; therefore I should very much like to have your suggestion in view of the numerous items that we have given within brackets containing the objects—whether we can have a general criticism of the Railway Board, or whether we should stick to our items, in which case I would suggest that you may put it to vote after hearing the Railway Member and take cut after cut; because we have got a large number of items and he has not helped us with his specific suggestion. I assume thereby that anything and everything can come under the criticism on the motion we are considering. If that is so, then I do not see how we can move other items in relation to the Railway Board; for instance, I myself have given an item, "Indianisation of the Railway Board"; Mr. Shahani, one on "Economy and Indianisation"; Mr. Neogy, on "The Future Constitution of the Railway Board"; etc., etc. Therefore I should like to know whether we should take our opportunity on this motion and speak on it or whether we should wait our turn; in which case I would suggest that the debate might be curtailed. In any case, Sir, I would like to have your ruling.

Mr. President: I have looked into the past procedure which has been followed in this House and that is why all these different items have been put on the Order Paper. I have seen the ruling of my predecessor, which lays down that when you are moving a motion for a cut with the object of retrenchment, it should be treated in one way; while other motions for a nominal cut are meant as votes of censure, or at least as expressing the dissatisfaction of the House in regard to the management of a particular branch of the Railway Administration. I have therefore followed the procedure which has been laid down in the past, though it appears to me that a better procedure would be to put forward only one cut and not signify a particular part of the Railway Department that is proposed to be dealt with. Under that procedure Honourable Members could roam over the whole administration and give expression to their views and vote on that one cut. I am entirely in the hands of the House as regards what they propose to do on the present occasion. Looking to the Order Paper one finds that a large number of Members have given notices dealing with one and the same subject. Of course if one of these motions for a nominal reduction is moved, the others will lapse. It is for the House to consider whether they wish to follow the rulings that have been given in the past, namely, to deal with cuts of large amounts as retrenchment motions and nominal cuts as dealing with the policy of the Railway Administration. (*Some Honourable Members:* "Quite right.") I should like Honourable Members to tell me what procedure they would prefer as the best in the circumstances.

Sir Hari Singh Gour (Central Provinces Hindi Divisions: Non-Muhamadan): Sir, if the Honourable the Leader of the House has no objection, I would suggest that we on this side of the House should take up Mr. Das's cut as a typical cut applicable to all the Departments on the Railway Budget, that we should on that cut speak upon the various questions generally and ask the Honourable the Leader of the House to reduce the whole Budget and all the items therein excepting the two which have been mentioned by Mr. Das; by 10 per cent. Then there are certain other particular grievances, and in connection with these you will exercise your discretion by asking Honourable Members to move their token cuts and ventilate the particular grievances they have against the Railway Board. That, I submit, would be the procedure in consonance, so far as I remember, with what took place in the previous Assemblies, and I think we shall be able to get through our work within the time allotted for the discussion of the Railway Budget.

The Honourable Sir George Rainy: Sir, I desire to reply to the point put forward by my Honourable friend, Sir Hari Singh Gour. I am afraid I cannot for a moment accept the proposition that we should take a particular cut on a particular Demand as typical; that is an entirely novel proposition and one which I am not prepared to accept. It may easily happen that particular Members of the House may wish to vote for a cut on a particular Demand and may not wish to reduce other Demands. It is impossible to assume what is in the minds of all the Members present.

The only other observation I wish to make at this moment is this. When my Honourable friend, Mr. Das, was speaking, I was conscious of a certain difficulty about the discussion because, after having given

notice of a number of cuts, he contrived to bring into his speech on this cut all the arguments that would have been relevant to the other cuts. There is some inconvenience, when a motion is put down as a motion for retrenchment, in using that particular motion as the instrument for a general criticism of policy. For that reason I doubt the wisdom of treating this particular cut as an opportunity for traversing the whole field. It is conceivable for instance, if a Member got in early with a cut of one hundred rupees he could raise the general question of the policy of the Railway Board, and on a cut of that kind it would be possible to discuss every branch of the administration. On the other hand, it may quite often happen that particular Members wish to obtain an expression of opinion from the House on a particular point, and it would be rather hard on them if the general discussion was so prolonged, that no opportunity was given to them of taking the opinion of the House upon a particular point. I think these are the practical considerations that are relevant and should be borne in mind.

Dr. Ziauddin Ahmad (United Provinces Southern Divisions: Muhammadan Rural): Sir, there two kinds of cuts before us; what I may call substantial cuts and token cuts; and it is very desirable to differentiate between the two, and we have been differentiating between the two in the past. If we have all the discussion on every point in one cut just now before us, then I foresee two difficulties; the first is that our discussion will be so varied that it will be impossible for Members to follow the discussion; and the second is that individual Members may agree with one token cut and may not agree with other token cuts and they will be in great difficulty when the time comes for actual voting. Therefore I request you, Sir, to take up substantial cuts first, and after disposing of them, the other token cuts dealing with subjects that have not already come under discussion may be taken.

Mr. Arthur Moore (Bengal: European): Sir, I think Mr. Ranga Iyer put the point on which we require elucidation when he suggested that Mr. B. Das had not stated on the Order Paper the subject to which he was referring, while it has been the custom of the majority of Members to state on the Order Paper what they refer to in their cuts. I think that the point the Leader of the House raises will be met if you could tell us what subjects you consider Mr. Das to cover—whether for instance he has now covered Indianisation both of stores and material, and economy in railway administration and whether such other subjects as representation of Muslims, grievances of subordinate employees and other subjects will remain under separate cuts. I would submit that Mr. Ranga Iyer's various motions can be suitably dealt with in the discussion on the points Mr. B. Das has raised.

Sir Cowasji Jehangir (Bombay City: Non-Muhammadan Urban): Mr. President, the position is that Mr. Das has moved a cut under one Demand for retrenchment, and his arguments have been confined to retrenchment. The other cuts are on other Demands. It is true that Mr. Das did bring in arguments for cuts on other Demands which he might have avoided and brought in when he moved retrenchment cuts on other Demands. But now that he has brought in arguments for
 1 P.M. retrenchment on all the Demands, only arguments for retrenchment on all the Demands might be allowed on the present discussion.

[Sir Cowasji Jehangir.]

That will save time. Then there are other cuts which are given with the object of discussing the policy of Government. For instance, I find that one is with regard to the lack of supervision over the Company-managed railways. If Honourable Members will only confine themselves to that one point while discussing that cut, we could get it aside. Then there is the question of Muslim recruitment. There again if Honourable Members will confine their attention to that one point, there will not be any repetition and we will not be complicating the discussion. Therefore I would suggest that on this Demand which is under discussion, we should discuss retrenchment and retrenchment only on all Demands.

Mr. President: I think I have heard the views of Honourable Members sufficiently long, and I should like at this stage to suggest a procedure for the consideration of the House and will then ask them to say if it is acceptable to them. I will not give a ruling and lay down a definite procedure, but will ask Honourable Members to tell me if the procedure which I propose to suggest is acceptable to both sides of the House.

There are two ways of dealing with the question. One is to divide all questions arising out of the Railway Budget into two categories, *viz.* retrenchment and policy. If Honourable Members are satisfied that the proposal of a 10 per cent. cut which Mr. B. Das has placed before the House will satisfy them generally, both for the purpose of discussion as well as in regard to the extent of the retrenchment they desire, then we will deal with the retrenchment aspect on this motion. We will then deal with the various token cuts, having regard to the specific points which Honourable Members have noted in their notices. There is also a third way, namely, on one motion for a token cut the House may deal with all aspects of the Railway Administration and have a full dress debate. (*An Honourable Member:* "No.") Honourable Members will pardon me if I say that they are a little hasty in saying "No". The procedure I am suggesting is this. Having taken one token cut, they should have a full dress debate in regard to all aspects of Railway Administration. Having done that, each token cut on the Order Paper should simply be moved by the Member and voted upon, full discussion having taken place previously. Then the House would be able to vote upon each motion in regard to the particular issue that it raises. That would save time.

If that is not acceptable to the House, there is another way of saving time. It depends entirely upon Honourable Members to curtail their observations and to restrict speeches to one or two Members who may put forward the case for that particular point and then go to vote. If Honourable Members desire to exercise their right on every occasion of taking part on every issue raised, then it is inevitable that the guillotine will have to be applied. I leave it to Honourable Members to tell me which procedure would be acceptable to them.

The Honourable Sir George Rainy: One point I should like to make at once, Sir, and it is this, that, if the procedure which you have suggested were followed, of having only one discussion on each Demand covering all cuts, speeches being made in that discussion on all the various points, followed by a series of votes, I think it would be extraordinarily difficult for the Government Member to give an adequate reply, because he would have to reply on all the points, and I hesitate to say how long in that

case my speech would last. I venture to express the hope that this method will not be adopted, because it would put the Government spokesman in a very difficult position.

There is one further point I should like to make. Supposing the decision was that on this particular cut the question to be discussed was limited to retrenchment, no doubt arguments could be brought in, having a somewhat wider bearing than the immediate question of whether a reduction of expenditure on the Railway Board was possible, but practically when it came to the vote whether the reduction should be made in the Demand for the Railway Board, the decision would be limited to that head only. If what is wanted is a big reduction in expenditure, it would have to be effected under the heads for which the Demand is large.

Sir Hari Singh Gour: Sir, the Honourable the Leader of the House is perfectly right in saying that if on a token cut the various grievances are to be ventilated there will be some difficulty for the Government Members to reply. In that case, so far as the token cuts are concerned, you may, Sir, allow Honourable Members to take up each cut on a particular issue, and that, I think, would obviate confusion on the part of Government Members and the Members concerned.

As regards the retrenchment cut, I think the Honourable the Leader of the House has no objection to a retrenchment debate taking place upon this issue of Mr. Das's motion, and on all the other heads a 10 per cent. cut will have to be voted upon without any speeches.

Mr. B. Das: That was my intention.

The Honourable Sir George Rainy: I cannot bind the other Members nor can I bind myself. The matter may be . . .

Mr. President: There is no question of binding anybody. We are generally discussing the procedure to be followed.

The Honourable Sir George Rainy: Supposing the House were to carry this cut for a reduction of 10 per cent. in this particular Demand, later on we should reach the head of "Repairs and Maintenance and Operation". That is a very important head indeed, and though the Honourable Member in whose name the motion stands might content himself with moving it formally I might very well wish to speak at length in order to show, that whatever might be the merits as regards a reduction in the Demand, under "Railway Board", the reduction in the case of other heads was quite impossible. The question of retrenchment is not an abstract or academic question; it is a question of practical possibility under each separate Demand, and I do not see how it could be discussed and voted upon as one general head.

Sir Hari Singh Gour: May I remind the House that the procedure we propose to follow today was followed in the first Assembly?

Mr. President: I merely want to explain to the House that what I mentioned has not been clearly appreciated. If there is to be one discussion and the other motions are to be moved, one or two speeches on one side of the House and a full reply on the other side, before going to vote, would meet the purpose. That was my suggestion. But that is a new procedure, and if Honourable Members wish time to think over it,

[Mr. President.]

I will not press it on them now. I do not think further debate on this question of procedure need be allowed at present. I take it that the House is agreed that on the motion which is now before them the House will restrict itself as far as possible to things which are closely connected with retrenchment in the Railway Board. When the next Demand comes, Honourable Members may move and discuss retrenchment of 10 per cent. or such other sum as they like, in regard to that Demand. After all, there is no obligation on any Honourable Member to take part in the debate if the House desires to go to vote at once. That is a right which they may or may not exercise. We will therefore deal with the present motion as a motion for retrenchment of 10 per cent. in the Railway Board and the discussion will proceed on that basis.

Mr. B. Das: I should like

Mr. President: Are you raising a point of order?

Mr. B. Das: No, Sir.

Mr. President: The procedure to be followed has been laid down by the Chair, and I hope the House will respect it.

Dr. Ziauddin Ahmad : Sir, I will confine myself to the motion of retrenchment before the House, but in order to make out my case, I will have to refer to

Mr. President: As it is ten minutes past one, I should like to know whether the Honourable Member is likely to take long. I know that he takes a keen interest in this matter, and may wish to speak at some length. If I now adjourn the House for lunch till a quarter past two, he will be able to resume his speech then. The House stands adjourned for lunch till a quarter past two.

The Assembly then adjourned for Lunch till a Quarter Past Two of the Clock.

The Assembly re-assembled after Lunch at a Quarter Past Two of the Clock, Mr. President in the Chair.

MEMBER SWORN:

Mr. Naoroji Manekji Dumasia, M.L.A. (Bombay City: Non-Muhammadan Urban).

THE RAILWAY BUDGET—LIST OF DEMANDS—*contd.*

Second Stage.

DEMAND No. 1—RAILWAY BOARD—*contd.*

Retrenchment—contd.

Dr. Ziauddin Ahmad : Sir, I sent a motion† which is published in my name about a token cut in connection with the question now under discussion. I do not propose to move it as the subject matter of that motion

†“That the Demand under the head ‘Railway Board’ be reduced by Rs. 100. (To discuss the unsatisfactory administration of the Railway Department).”

is really an argument in favour of the retrenchment motion now before us. I would not like to dwell upon the whole length and breadth of the problem of the railways, and I will confine my attention to the retrenchment problem before us. I take this opportunity to explain the method of achieving economy and also to mention the irregularities and extravagance which the Railway Board committed last year and by avoiding which the retrenchment could be secured. In the first part, I will divide my speech into three parts, one in which I will deal with the general organisation, next I will deal with the defects and mistakes of the Railway Board and in the end I will describe the method by which retrenchment could be secured. Sir, we have invested in the railways a sum of 770 crores, which according to the Administration Report is yielding a profit of 4.6 per cent. If we scrutinise the profits of different railways given on pages 15 and 16 of the Administration Report, we find that the minimum yield comes from the North Western Railway which is only 2.2 per cent. and the maximum profit is obtained from South Indian Railway 7.3 per cent. The average profit from the Company-managed railways is over 5½ per cent. and the receipt from the railways directly managed by the State is less than four per cent. The exception is the Bengal Nagpur Railway which is yielding an income of 3.2 per cent. Now, I do not know what is in the minds of the Members of the Railway Board, whether they are trying by their bad administration to make us believe that the Company administration is better than State administration on the ground that it is yielding a better income. If this is the object, then I entirely repudiate it and I say that the low percentage of income in the State managed railways is not on account of the fact that the State cannot administer, but on account of the fact that the administration of the present Railway Board is defective and open to objection and requires serious over-hauling. Sir, I appeal to the Leader of the House, who is the Member in charge of the railways, to consider it as a business proposition. Here we have invested over 7½ *arabs* in a concern which is yielding a profit of only 4.6 per cent. I ask him whether a profit of this kind could be considered satisfactory in any business concern. My friends on the European Benches will bear me out when I say that a thing of this kind will not be allowed in any business concern. Unless there may be substantial reasons in a particular year, the losses may be tolerated, if it is going to be a permanent feature, then it requires serious consideration. I take this point of view that the administration of Railways by Railway Board should be a business proposition, though at present it is not so. It might require some changes in the statute, but those changes can be made and should be made. This is really commercial organisation with a capital of 770 crores, and it ought to bring in a profit more than the bank rate of interest; the minimum profit I should expect from them is about 7½ per cent. Every effort should be made to raise this yield of 4/6 per cent. to at least 7.5 and we find that at least two railways both under company administration that is the Madras and Southern Mahratta and South Indian Railways are yielding an income of 7.3 per cent. My desire therefore is not unattainable.

Now, one other thing which requires serious consideration is that the whole business is really a close concern of the Members of the Railway Board. Officially they have what is called the Standing Finance Committee. Officially, they have the permission of the Legislative Assembly for all

[Dr. Ziauddin Ahmad.]

expenditure but when we look at the facts and read the proceedings of the Standing Finance Committee, we find that it is only a farce. They only put in one or two items which are not fully discussed. They don't allow themselves to be examined, like other Departments, by the Public Accounts Committee, and a thing of this kind is very desirable. Coming to the discussion in the Assembly, we find that four days are taken on the token cuts connected with the first Demand, and the important items are guillotined in the end, as a matter of course. So really public opinion and public criticisms have never been invited to the administration of the Railway Board, and I beg to suggest, in the interests of economy that we should follow the example of other companies and big concerns and have two or three Directors added as members of the Railway Board who may not be whole time paid servants but they may get their daily allowance and work with the Railway Board to scrutinise the Budget and go into every important item of expenditure. My friend on the other side may say that all these questions are very technical questions and any person who comes to study them will be lost. If this view is taken then the whole of the Finance Committee become superfluous. The Members of the Assembly will be useless, because none of us is a railway expert, but we have got common sense and we can use our common sense and give opinions based on our experience. That is the view which is always taken by business concerns whenever they choose a person as Director. The Director scrutinises the policy though he does not go into small matters of detail. My view is that the Railway Board may have three paid officers who may be experts in three different branches; one of them should be an expert in finance, the other should be an expert in traffic and the third in engineering work. To these three permanent members, may be added a few more members who need not be permanent officials but who may be invited to attend the meetings of the Board to discuss the Budget and to discuss the policy. The administration of details may be entrusted to the permanent officials. If this view be adopted, then it will be quite possible to have a substantial saving in the Railway Board.

Sir, I now come to their method of administration, and the first point to which I should like to draw the attention of the House is—and I have got in my hand a copy of the latest Administration Report—that on page 126 of the latest Administration Report for the Railways it is shown that the Railway Board have got 21 highly-paid permanent officials. Out of them, six are on leave, and 16 officials hold temporary appointments; and out of the whole lot there are only five who hold permanent appointments, that is, the three members at the top, Mr. Russell, Mr. Parsons and Mr. Hayman, and two at the bottom. So, really speaking, the whole administration is carried on by officiating establishment. I do not know whether they have got any special meaning attaching to the word "officiating" but this much I can say that a business which deals with an income and expenditure of about 100 crores cannot efficiently be carried on by a staff three-fourths of whom are only officiating. This is a matter which requires very serious consideration. The administration should be put in the hands of permanent officials and not in the hands of persons holding appointments temporarily. Am I wrong?

Mr. K. Ahmed (Rajshahi Division: Muhammadan Rural): No, no you are right.

Dr. Ziauddin Ahmad: Sir, a second point I should like to mention. Recently, the Railway Board by adopting a policy of favouritism has lost its prestige. The Board at one time commanded very great respect and confidence, but I regret to say that it does not do so at present. I loathe to mention specific cases of favouritism as my general statement on 19th March was challenged; I should like just to point out the names of a few individuals in whose case this was done. We all know the scandalous story of Dr. Horne, Director of Civil Engineering, who was really forced to retire because he refused to act in a particular manner. We all know the story of Mr. Chandwani who was really a subordinate accounts officer and who was suddenly raised to a very high post. A number of memorials were sent to the Members of the Railway Board and I wonder whether the Government will show those memorials in order to find out why a special lift was given in this case. I do not like also to mention the case of Mr. Rau, who was put on a salary of Rs. 4,000, Mr. Puri and Mr. Manson, but a number of cases could be cited where they have exercised patronage in favour of persons who did not deserve it. Now I would like to mention once again another fact, namely, that whenever any officer is officiating for a short time in a higher post, as soon as the permanent incumbent comes back to that position, the retiring officer does not revert to his substantive appointment but is put on some kind of special duty in order to enable him to continue to draw the salary which he had been drawing during the officiating period.

Mr. O. S. Ranga Iyer: On a point of order, Sir, I should like to know whether the Honourable gentleman, who has mentioned certain names, brings any charges of corruption against those individuals. I have not been able to catch his point, but I think there was an underlying insinuation in his statement. Sir, it is not customary on these occasions to mention the names of officers who are not in this House to defend themselves; and I wish that if he is making a statement about them, he would give us more details, for the House cannot blindly endorse his view without knowing exactly what he is driving at. His statement is full of insinuations; either he should make clear to us what they are or he should withdraw those remarks. (Applause.)

Mr. K. Ahmed: You had set the example on a previous occasion in the last Assembly?

An Honourable Member: I hope the Honourable Member does not hold a brief for anybody.

Mr. C. S. Ranga Iyer: I do not hold a brief from anybody but for decency's sake would like to know exactly . . .

Mr. President: A point of order has been raised, and I think the Honourable Member will be well advised not to mention names, unless he is prepared to show that there were special reasons for referring to them. But if the Honourable Member merely means—as I understood him to mean—that certain people were superseded by certain others by way of favouritism, I think he is entitled to do so.

Mr. C. S. Ranga Iyer: I think, Sir, the Honourable gentleman did name and suggested that one had to go—here I did not catch him quite—because he would not do a certain thing or something of the kind. His statement generally was full of insinuations.

Mr. President: Order, order. I understood him to say nothing of, the kind. What I did understand him to say was that certain men were superseded and certain others were promoted out of their turn. I do not see that that can be out of order.

Dr. Ziauddin Ahmad: Sir, I should like to make it quite clear that I do not mean any kind of personal attack, or to bring any charge of incompetency against any of the individuals, whose names I reluctantly mentioned. The only point I was trying to make out was that the Railway Board is now exercising a kind of special favouritism, and by so doing, they have lost their prestige. I have absolutely not a single word to say against any individual who has been fortunate enough to receive this patronage. That is not my point. When an officer officiates in a particular post, he does not on the return of the permanent incumbent go back, and I request the Honourable Member in charge to scrutinize this thing and look into the date of the creation of special post and see whether it does not coincide with the reversion of the officer put on special duty.

Now, the third point which I should like to mention is that in recent years they have started fantastic schemes on account of which the people in the lower grades have lost in the sense of security. A few years ago they started a new scheme called the crew system, which did not have a fair trial; they are keeping it on as a temporary measure for five years, and all those people are led to believe that they may be dismissed at any moment and thus they cannot put their whole heart into their work, and thus it is impossible to have any kind of efficiency in a Department every member of which considers himself to be temporary, and the natural consequence is that these members begin to think of making hay while the sun shines. Examples may be given to show that this is the attitude they adopt. (Hear, hear.) For goodness sake, have one principle and follow it; and do not put special officers on special duty, and have one system today and another system to-morrow, a committee of inquiry here and a committee of inquiry there, and thereby tell all these people working on the railways that the whole of your Department is in the melting pot and that notice may at any moment be served on them. You have started something like this in the case of the crew system, and you have told them that they may be dismissed any time. You are now doing the same in the case of the T. T.'s, and can you expect any kind of efficient work from a staff who are given to understand that they are in the melting pot, and who suffer from rumours of dismissal at any moment? For goodness sake, avoid creating these special posts, avoid the discussion of these minor points, avoid constant changes in the system and stick to the system which has stood the test of half a century and do not change it. Sir, the result of such enquiries was that for these special posts the Member in charge demanded last year a sum of 3.95 lakhs, *i.e.*, about 4 lakhs, but the actual expenditure was 9½ lakhs, more than double, and if no special steps are taken this amount may again rise up to about 10 lakhs.

There is one point, Sir, that I should like to mention and that is a point which I mentioned to my friend Mr. Ranga Iyer and Mr. Misra. I have been hearing from different sources, though I do not definitely maintain, that in certain cases the posts in the running lines are actually sold. I do not mention any name, but I should like to know from the Honourable Member whether he can give an undertaking that if a report of this kind is made to him with specific instances, he will make an inquiry

not through his own Department but through the C. I. D. Will he say "Yes" or "No"? I should like to have a reply.

The Honourable Sir George Rainy: If the Honourable Member would try to make himself even partially audible I should find it easier to follow what he says.

Dr. Ziauddin Ahmad: I wanted a definite reply.

The Honourable Sir George Rainy: No, Sir. I find the greatest difficulty in hearing what the Honourable Member says, and it is surely embarrassing when charges are made against officers by name and it is impossible for me to hear what the Honourable Member says.

Dr. Ziauddin Ahmad: My point is this. I have heard from different sources that certain officers—not connected with the Railway Board—sell posts, which go to the highest bidders. I do not know how far it is correct, and I am simply asking the Honourable Member whether if he gets definite and specific cases, he will be prepared to make inquiries—not departmental inquiries because they lead to nothing, but inquiries through some external source. That is what I want to know.

The Honourable Sir George Rainy: My reply at once is this. Until I know what the charges are and who makes himself responsible for them, or on what sort of evidence they are based, it is quite impossible for me to say what I will do.

Dr. Ziauddin Ahmad: As I said, this is the reply which I expected. However, I do not want to dilate on this particular point because we may have occasions to discuss later on. I will come to my special point, namely, how this economy of one lakh and 15 thousand can be effected. I should like to take this question on its own merit. I do not want that a ten per cent. cut should be made throughout because I do not believe that in every item it is possible to have a ten per cent. cut. So every item must be taken on its own merits and here on this particular item I think a cut of ten per cent. is possible without loss of efficiency. This is the point which I should like to take up now. Sir, two years ago the Member in charge of the Railway Board demanded a fifth Member for the Railway Board on the plea that he should be in charge of labour. Later on we found that the labour work was not sufficient for him and he used to be called the Member in charge of staff or establishment.

The Honourable Sir George Rainy: Sir, may I point out that it was made perfectly clear at the time I moved the Demand for this appointment that it was not limited to labour but that it was for the whole of the establishment?

Dr. Ziauddin Ahmad: I am referring to the speech made at the time the first appointment was moved and not to the speeches made during the year, because later on during the year no doubt he was placed in charge of the entire establishment.

The Honourable Sir George Rainy: No, Sir; from the first he was a Staff Member.

Dr. Ziauddin Ahmad: After this appointment had been made, we heard that the office of the Director of Establishment would be reduced as his work would be done by the Member of the Board in charge of Establishment. I do not know what was the reason for this rumour.

[Dr. Ziauddin Ahmad.]

Mr. S. D. Gupta, who was holding this appointment, no doubt had to go. It was understood rightly or wrongly that this post would now be abolished. But to our great surprise we found that not only was this post retained but an Assistant Director of Establishment was also added. Here in charge of establishment we have got three highly paid officers, namely, the Member, the Director and a Deputy Director, assisted by a very highly paid staff. I can of course understand that there may be an officer in charge of Establishment, but it is not necessary to have three highly paid officers and I think one Director is quite sufficient to look after the Establishment, and be given a salary approximating Rs. 3,000. I think one officer with a small staff is quite sufficient for this purpose, because if we have a highly paid staff, we may be introducing the principle of dual control. After all, the employees in the Finance Department ought to be under the Finance Member. All the persons in the Transport Department ought to be under the Transport Member. But then to have another Member in charge of Establishment alone we are really introducing the principle of dual control, and it is very desirable that the staff belonging to a particular Department should be under the Member concerned. But looking into the general question of welfare and education, it is quite sufficient to have only one Director in charge of the whole establishment and a highly paid staff appears to be necessary. So in the case of this Establishment office it is quite possible to have retrenchment.

The second item on which also it is possible to have retrenchment is what is called the Control and Accounts on the financial side. I drew attention two days ago to the unnecessary wastage involved in the separation of accounts from audit. To my mind this thing was not done in the interest of economy but there are persons who believe that it was done in order to avoid outside audit. I mean that by this separation audit is now done by the staff themselves. It is very desirable that the audit of the Department should be done by persons not connected directly with the Railway Board. So by this separation of audit, the Department is now carried on by a branch of the Railway Board, which is financially unsound. In the old days before they introduced this particular system of separation of finance there used to be a single officer who performed the manifold duties of Financial Adviser, Budget Officer and Accounts Officer and Audit Officer for the Railway Department. This officer was the Accountant General of Railways. He was given much less pay than the Financial Commissioner and he was given only one or two assistants and a small staff to help him. In his place we have now got the Financial Commissioner getting Rs. 4,000 a month, assisted on the Finance and Budget side by a Director, Deputy Director and Assistant Director, two gazetted Superintendents and a host of highly paid clerks, and on the Accounts side, a Controller of Railway Accounts, a Deputy Controller, Assistant Controller and some more officers and staff. The Financial Commissioner of Railways should certainly be able to get a little more from the Chief Controller of Railway Accounts and by this arrangement we could save the appointments of Director and Deputy Director. This will reduce the expenditure by Rs. 5,000 a month amounting to Rs. 60,000 a year. Therefore by making retrenchment, which can be done without loss of efficiency on the Establishment and financial sides, it is quite possible to have an economy of one lakh and 15 thousand rupees which

is proposed by my Honourable friend Mr. B. Das. Therefore, I am not going to move in a rash manner for that reason and because I do feel the responsibility that whatever may happen the efficiency of the administration ought to be maintained. We as Members of the Assembly share the responsibility of the Department that efficiency should not be impaired. Keeping efficiency in mind, it is very desirable, on account of the financial stringency, that the expenditure should be reduced to the very minimum and it is quite possible that we can exercise a little economy in these two directions. I quite admit that some persons will have to do a little more work. In bad times we all have to do more work and every person who is connected with any business will bear me out that in bad times one has to work hard. Therefore if the Members and the other officers of the Railway Board may do a little more work and cut down these posts which I have just mentioned, it is quite possible to achieve the economy to the extent of Rs. 1,15,000 proposed by my Honourable friend without loss in efficiency. I hope that the Honourable the Finance Member will understand our honest and sincere desire to secure economy. We do not want to be very unfair to the Department; but we do insist and we do desire that the whole railway administration may yield an income of $7\frac{1}{2}$ per cent, which is quite possible if better economy is exercised and better supervision prevails. I know that greater powers are given to the Agents. Take the example of the Company-managed railways. They have their Agents, they have their Managing Directors. It is also desirable that we should have Managing Directors in State-managed railways, appointed by the Railway Board. Those Directors like Company-managed railways should supervise the detailed work of the various running lines. I think if we all put our heads together, if the Members of the Treasury Benches take our suggestions in the spirit in which they have been offered, it is quite possible that we may exercise economy, and the Railway Department may yield an income which it ought to yield. Going about in the country, not only in my constituency but in other constituencies as well, I find that the railway servants are dissatisfied and in order to effect efficiency we should take every measure to restore the feeling of security among every employee and to enlist the sympathy of every officer. Every person should contribute his quota in devising a method for making the two ends meet, and making the railways yield that income which they ought to yield, namely, about $7\frac{1}{2}$ per cent. With these remarks, I beg to support the motion.

Mr. A. M. Hayman (Government of India: Nominated Official): Sir, there is only one point which has been dealt with by my Honourable friend, Dr. Ziauddin Ahmad, that I should like to meet at once. The remaining points will no doubt be met in due course by my Honourable friend, Sir George Rainy. Sir, the Dr. says that the Railway Board are in the habit of creating a large number of posts for officials on special duty and he thinks that by doing so we squander money. He also thinks, and has made the direct challenge, that these posts are too often created not because we have got work for these special officers to perform, but because we want to keep on in the Railway Board persons who were brought in for some time to fill regular post in an officiating capacity. Now, my Honourable friend, Mr. Parsons, a few days ago answered a question in the House in which he stated that there were at the moment 16 officers on special duty under the Railway Board.

Dr. Ziauddin Ahmad: On a point of order, I would like the Honourable Member not to quote the authority of Mr. Parsons' replies because I never hear him in the course of his answers.

Mr. A. M. Hayman: I do not wish to follow that point, because, as my Honourable friend, Sir Lancelot Graham, suggests, the Dr. will be well advised to read the proceedings. But I was saying that my Honourable friend, Mr. Parsons, stated, there were 16 officers on special duty and I think he has also given details of the nature of the duties upon which each one of these officers is employed. Now, Sir, some of these officers work directly under me. The first point I wish to make to the House is this, that if I wanted an easy life, I would not have officers on special duty under me; I would much rather have work—submitted to me from only two officers—my Director of Establishment and my Deputy Director. As a matter of fact I have about four or five of these officers on special duty working under me. I want to tell the House that when we place officers on special duty we do so on two different criteria. Firstly, we only place officers on special duty if we are convinced that the officer, by his proposals and by the action he takes under our orders, brings about economy very much greater than the money we spend while we employ him on special duty. The other class of appointments that we make of officers on special duty is when we are convinced that it is an obligation on our part to take certain action in the interests of the large staff that we employ. There are certain service conditions of employees which require complete overhauling for instance. Usually this work cannot be done unless heaps and heaps of details relating to facts are got out and these can only be got out from first-hand information by an officer who will tour about and get it for us. That is the second class, and there are sometimes officers who are put on a combination of both duties. I want now to tell the House that I have got officers of these three classes working under me and I want to show from facts and figures that the money we spend on them is well invested.

Mr. B. Das: May I ask the Honourable Member a question, whether the Honourable Member can justify Mr. Scott's transfer from the Controller of Accounts, as a special officer, when he failed, by his process of introduction of machinery, to bring the accounts of the East Indian Railway stores up-to-date and his successor had to introduce a new process?

Dr. Ziauddin Ahmad: And these officers are only appointed when the officiating persons are reverting.

Mr. A. M. Hayman: If the matter is relevant, I am sure that my Honourable friend, Mr. Parsons, will give a complete reply to my friend, Mr. Das, as regards Mr. Scott, as that officer is working under Mr. Parsons. I propose just now to deal with facts and figures and give the House an idea of the work that these officers who directly work under me are doing. And one thing, Sir, if I whip with whips for the purpose of securing economy the Financial Commissioner for Railways chastises with scorpions. Let me turn first to a Report which I just received last Sunday. Here I have an officer on special duty who had the combination of the two classes of duties to perform. He was enquiring into the service condition of our press employees on the Eastern Bengal and East Indian Railways, with particular reference to revisions of their scales of pay. At the same time I required of him to go into the detailed methods of working in those

presses and to make proposals for economy relating to printing charges. I deal with him in the same way as the Board deal with other officers who work on special duty on the Railway Board and that is, we do not ask them to sit down for a year or six months or three months or whatever period the special duty is for and write a long report of their work. We require them to make reports from time to time, to show us what is being done, and if they make proposals for economy, to prove to us that the administration has accepted the proposal or rejected them and if the administration accepts the proposals, that effect has been given to them so that we might secure the actual savings. As I have told the House, the Report came before me last Sunday. Let me read just a few passages to show what this officer has accomplished. This officer happens to be going away on the 28th February. I told him he must write a detailed report for me in three parts; the first part was to show the definite proposals he made which had been accepted and the economies that had definitely been secured; the second part was to contain the recommendations that he had made and which was in the process of examination by the administration; and the last part was to show what further suggestions he had to make in order to bring about economy. Here is something in the first part. He says:

"Form printing. Reduction in size with resulting economy in the cost of paper and the revision of railway stock forms have resulted in a recurring saving in the cost of production and printing of approximately Rs. 2,85,000 per annum."

That is money definitely secured for our railways. Then he goes on:

"In addition to my work on the railway stock forms, I was instructed to look into the cost of forms used by the Railway Clearing Accounts Office at Delhi. The result of my investigation was an immediate cash saving of Rs. 2,300 per annum. . . ."

Mr. B. Das: Wait and see next year what will happen.

Mr. S. C. Mitra: Will the calculations come true?

Mr. A. M. Hayman: These have already been definitely secured to the Department. I take the responsibility for proving that. Further he says:

"By reduced cost of printing establishment rolls, gradation lists and other forms and one or two smaller items formerly procured from outside sources, Rs. 10,000 per annum. By reduced printing in rates circulars and other similar circulars printed partly by outside sources, Rs. 25,000 per annum."

Then he goes on to say this about the disposal of used card tickets:

"I was deputed to investigate the question of disposing profitably of used card tickets. I was able to arrange for their disposal under a guarantee of safeguard of tickets issued on these railways and to such advantage that these railways now derive a revenue of Rs. 11,000 per annum from this material which formerly was burnt or otherwise destroyed."

I could go on detailing instances; but the sum total of what he has done in this part amounts to a saving of Rs. 4,47,000 per annum, which if capitalised means about a crore of rupees.

Mr. B. Das: That is what you anticipate.

Mr. A. M. Hayman: It is not what I anticipate. I have made it quite clear to the House that this part of the Report relates to savings already secured.

Dr. Ziauddin Ahmad: And how much did it cost? Another 4½ lakhs?

Mr. A. M. Hayman: Nothing of the kind. I will not trouble the House with the second and third parts of the Report because, they would be open to the criticism which Honourable Members on the other side want to make; they ask, "Have you secured the savings or are you merely thinking of doing so?". But the *estimate* this officer makes—and I have gone through the Report very carefully and I myself think it is a somewhat pessimistic estimate—is that his proposals will amount to a saving of another Rs. 5 lakhs per annum.

This is the work of one of the officers on special duty. I have another officer working on special duty under me on the East Indian Railway. His duty is to investigate the procedure in force in all the offices with a view to cut out duplicate work and also to make proposals for doing work on a system which will give us either greater efficiency at equal or less cost or equal efficiency at less cost. Now, Sir, I examine the Reports of that officer in the same way as the one I have just referred to and I could quote instance after instance of definite economies secured. I read the abstract of that officer's recommendations only this morning and I find that the savings that he has already actually secured for us amounts to something like Rs. 2,86,000 per annum.

I shall now take an instance to justify the employment of officers who investigate questions for us in the interests of the service conditions of our employees. We have for many years had complaints, sometimes very serious, from the employees themselves and from labour organisations, that the procedure in force on our Railway Administrations for the imposition of debit on station staff operated very harshly on them and was in consequence not fair. We felt after we had the matter examined by our Administrations and we had made a preliminary examination ourselves, that there appeared to be a certain amount of justification for the complaints made, and we thought it best that all investigation should be made by a senior officer of experience both in establishment matters and in traffic operating matters, so that he could place an independent view before us about this matter. It so happens that we have now employed an officer who was at the time he came to us the Deputy Traffic Manager of the Eastern Bengal Railway. He came to us first as officiating Director of Establishment under me and

3 P.M. from that post he was put on this special duty. His investigations are still being made. I instance this detail because it answers in a way Dr. Ziauddin's complaint that when a person comes to us from outside and works for some time in the Railway Board, we try to find a job for him. There was no intention of putting that officer on to this work simply because he had worked under us. We had some time before quite independently of any such consideration made up our minds that these investigations were necessary and we had decided that it was necessary for us to employ an officer who had both traffic experience and experience of establishment and labour matters; and as a matter of fact we postponed the inquiry for a little while in order to take it up when a senior officer who possessed these qualifications was available. These are matters of administrative convenience, Sir, which wise men always employ with due regard to the interests of efficiency and economy.

I shall give another instance of an officer employed on special duty, who combines duties of both characters. We have had for some time

Now an officer employed under me who has been investigating all the details that have to be gone into in order to place on a proper basis on our railways the procedure affected by the hours of employment regulations. I do not think anybody, unless he has actually gone into work of this character, can imagine what difficult problems arise in dealing with the revision of the hours of work of our operating and station staff. We have had to face difficulties from the men themselves; they did not at first understand why we were doing this work; some of them thought it was all a device to get more work out of them for less pay. But with the help of this officer, who was co-ordinating the work on all our railways, we have been able to convince most of our establishments that what we are doing for them in the way of revision of hours of work is all for their good.

I have spoken of only one aspect of this officer's duties. There was another aspect also. When we made our proposals for the amendment of the Railway Act in order to give effect to the Washington and Geneva Conventions, we had to place before the House an estimate of the probable expenditure that would be incurred in order to give effect to them. Those estimates were the sum total of the estimates made out on somewhat incomplete data by Railway Administrations—the data could not be complete until the duties were revised by the Railway Administrations. This particular officer had definite instructions from me that in addition to bringing about conditions on our railways which would fully comply with the provisions of the Act and at the same time also would fix hours of duty which took into account humanitarian considerations, he was to examine closely the conditions in each Railway Administration from the point of view of providing quarters, and also from the point of view of putting on additional staff. He was asked to see that not one rupee more than was necessary was spent. And in one of these matters in regard to which we have got detailed figures from him, we find that the actual expenditure which we shall have now to incur in the matter of additional staff will be six or seven lakhs less than the preliminary estimates of the Railway Administrations. Now, Sir, that officer has given me, as I look at it, a six or seven lakhs saving in recurring expenditure for about Rs. 1,700 a month that I have paid him for six months. I think, Sir, that any organization that employs officers on special duty who could produce such good results should not be taken to task. I think it should be congratulated, and if at all it should be asked why it did not employ a few more such officers on such jobs.

Mr. S. C. Shahani: Sir, I see that the Railway Department, or at any rate the officers of the Railway Department who are here, are representing the criticism to which they are being subjected. I have devoted some little study to the Railway Budget, as also to the Explanatory Memorandum that has been placed before us. I have also looked into the Railway Report for 1929-30. I have also once again read the speeches that have been delivered in connection with the Railway Budget. I can honestly state that, according to me, the Railway Department is being grossly mismanaged. I need not indulge in any general remarks now, for general remarks have been made by previous speakers, some of which I fully endorse. But I would now like to point out in connection with this Demand that there is considerable room for economy in the different items included in it. I would begin with the last item, "Allowances, etc." and "Contingencies." For these I see a sum of

[Mr. S. C. Shahani.]

Rs. 3,45,000 is demanded. I take it that this amount is required for moving the entire office to Simla. Why cannot, I inquire, a substantial portion of this office be left behind, more especially in these days when we are not commanding large earnings?

Calculating how much could here be saved, and easily saved, I see that about a lakh and one thousand can be saved in this item alone. The rents of the houses occupied by the members of this office remaining in Delhi would be saved in addition.

I will next refer to the amount that is required for leave salary. I find that quite a lavish provision is being made for leave salary. Rs. 1,09,000 have been demanded under this head. Making the necessary calculations I find that about eight members are to be allowed to proceed on leave. In such an abnormal year as this, surely six instead of eight might well be allowed to go on leave, so that about Rs. 25,000 may be saved.

Then let us look at the provision, Rs. 1,04,000, made for five Deputy Directors, four, as it is said, on Rs. 550 to Rs. 2,130. I see that fairly senior men have in fact been provided for here. I do not understand why it has been stated that the scale begins with Rs. 550. I think this is a camouflage. It is intended to impress the Members of this House with the idea that the scale is fairly low, whereas actually the scale is altogether high. According to me, junior men should be imported, and their actual pay *plus* the usual allowance of Rs. 250 should be given them. If this is done, at least Rs. 14,000 can be saved.

Then I pass on to the Secretary, whose salary is fixed at Rs. 2,500 to Rs. 2,980. Why should such a high salary be provided for here? I do not suggest that the scale should be altered for alteration of scales would be somewhat difficult, and could not be effected before a committee is appointed for the purpose, and before that committee has submitted its Report. If here too a comparatively junior man is employed on a salary of, say, Rs. 2,100 to Rs. 2,600, I see that about Rs. 9,000 can be easily saved.

Then we pass on to the five Directors drawing Rs. 2,500 to Rs. 3,180 a month. Evidently Superintending Engineers are imported for these posts. If each one of them drew not more than Rs. 2,000, and a special allowance of Rs. 250 he should be contented. If this is done, I think about Rs. 41,000 more can be saved in this item.

Then we come to the Members of the Railway Board. The fifth Member it is said is not needed. Evidently, the post of the fifth Member sprang up only recently. If this post is abolished, and his work distributed among the remaining four Members, about Rs. 48,000 could be saved.

Then again these are posts of superior service, and if in their salaries even a 10 per cent. cut is effected, about Rs. 90,000 can be easily saved

Maulvi Muhammad Yakub (Rohilkund and Kumaon Divisions: Muhammadan Rural): May I ask Mr. Hayman to tell us as to when he goes to office and when he leaves it?

Mr. A. M. Hayman: Modesty prevents a reply.

• **Maulvi Muhammad Yakub:** I want an answer to my question.

• **An Honourable Member:** It is irrelevant.

Mr. S. C. Shahani: In this way, Sir, about Rs. 3,03,000 could be saved, but I have no desire to press my cut for acceptance. I feel that it will probably be agreed to that a 10 per cent. cut should on the whole be made in the Railway Demands. I am not sure of it; but I do hope that Honourable Members will make up their mind to accept the 10 per cent. cut, for it goes without saying that the railway management is extremely extravagant. It does require to be controlled, and if this control is not provided, I feel that it would be a scandal.

Then, Sir, I have got to say just one thing more, and that is with regard to the Indianisation of the Railway Board. If we have got five Members in the Railway Board, two may rightly be Indians and three Europeans; and if we have four, then the number ought to be equally divided. There is no reason why Indianisation of the Board should not be gone in for as early as possible. I would only say one thing more—which has already been referred to by the previous speakers—and that is this, that most of the money that is included in this Demand is non-votable. It has been said that it has had to be so. One expects that reasons—and adequate reasons—would be assigned for this change that has been effected in the Demand this year.

Mr. P. G. Reddi (*Guntur cum Nellore: Non-Muhammadan Rural*): Sir, India is a land of strange inconsistencies, and the way in which things are done in the name of retrenchment is no exception. The railways talk of retrenchment on the one hand, and on the other, they go on merrily increasing the number of superior appointments without any let or hinderance, applying their so-called retrenchment only to the lower ranks of the service.

Sir Hari Singh Gour: Speak up, please.

Mr. P. G. Reddi: Sir, the pay of any of these superior officers is equivalent to the salaries of a number of clerks put together. I say that retrenchment on the railways is a mockery. I remember the days when the South Indian Railway and the Madras and Southern Mahratta Railway were each run by one Agent and one General Traffic Manager. Now, we have Deputy Agents, Secretaries in the order of 1st, 2nd and 3rd, then the Chief Commercial Superintendent, the Chief Transportation Superintendent, and a host of others. I ask, what are these officers doing? Each one shuts himself up in his own room and refuses to see the public when they approach him to represent their grievances. I do not know how long the country is destined to pay these sinecures. Sir, on the South Indian Railway, the Departments were bifurcated in the year 1924 into Traffic and Commercial. It was said at the time of bifurcation that that arrangement would bring in the millennium for the Railway. Six long years have passed, but the expected millennium has not yet come. The result of the bifurcation was that the tax-payer was burdened with another officer, called the Chief Transportation Officer. The South Indian Railway is now reverting to the old system, and in doing so, one would expect that the staff, engaged as a result of the bifurcation, would be curtailed. But in consequence of the re-amalgamation, it is said that two more D. T. S.'s and four more A. T. S.'s are required. Again, Sir, if retrenchment is really necessary, may I ask why should superannuated

[Mr. P. G. Reddi.]

men be given extensions? Even in the matter of extensions, retrenchment is dangled before our eyes only when the Indians are concerned. Mr. Storrer, Station Master of the Trichinopoly Junction, Mr. Parker, Station Master of Erode Junction, Mr. Merritt, Station Master of the Egmore Station, were granted extensions, whereas Mr. Achyutan, Station Master of Calicut and Mr. Srinivasa Aiyangar, Station Master of Chingleput, were not given extensions on the ground of retrenchment. I ask, Sir, why these invidious distinctions between man and man, between community and community? Sir, the same game is being played by the M. & S. M. Railway. On that Railway, recently an officer was appointed called Personnel Officer. That Officer had previously been doing a Steward's work in a race club, and I do not know how his experiences of a race club are helpful in doing the work of a Personnel Officer of the M. & S. M. Railway. He is deputed to decide the appeals though he is not the final authority, it is but the Agent. This officer is supposed to hear appeals from the subordinates, but being new and inexperienced, he refers back the appeals for remarks to the very officers against whose decisions the appeals are preferred. Naturally, he accepts their reports as gospel truth and orders are passed accordingly. Now, the House can visualise the hardships that the subordinates must be put to on this account.

Is there, after all, any necessity for retrenchment in the lower grades of service? If one looks at the figures given at page 112 of the Report of the Railway Board, one will see that in 1929-30, while all the other railways earned less than in 1928-29, the S. I. Ry. alone had earned more by 56,44,000 rupees. If we turn to the figures at page 193 of the same Report, the percentage of expenses in the Traffic Department to the total weekly expenses is only 13 per cent. in the S. I. Ry. as against 19 in the case of the E. I. Ry., or 17.6 in the case of the B., B. & C. I. Again, taken by the train mile, we find that the B. N. Ry. spends 13.9 annas, E. I. Ry. 12.3 annas, G. I. P. Ry. 10 annas, while the S. I. Ry. spends only 6.5 annas. Let us now look at the figures from another standpoint. At page 112 we find that gross earnings of the S. I. Ry. are Rs. 6,63,68,000, and at page 193 we find that the S. I. Ry. spends only Rs. 52,63,565 on the Traffic Department, that is, roughly, about 29 days' earnings. The Agent of the S. I. Ry. said in his circular issued to the staff that 91 days' earnings are required to pay the wages bill. So, then, we come to this, that out of 91 days' earnings that go to pay the wages bill, only 29 days' earnings go to pay the Traffic Department and 62 days' earnings go to pay the upkeep of the Home Board, the Agent's Department and pay of the officers. That is to say, to the men who work in the actual field of transportation, one day's earnings out of the earnings of 30 days in the month are paid. Sir, the figures, far from making out a case for retrenchment in the subordinate staff, make out a strong case for raising the pay of these unfortunate men.

The figures of the M. & S. M. Ry.—the other railway that is holding the sword of Damocles over the head of the railwaymen—are equally illuminating. It will be seen from page 193 of the same Report that this Railway spends 10 per cent. of its total working expenses on the Traffic Department. I regret I have not got all the figures with me, but all the

same, although this railway is working cheaply, it still wants to extort more, and more work from its subordinate staff in the name of retrenchment. While every State-managed railway has kept down its working expenses in view of lower earnings, only the S. I. Ry., the M. & S. M., and B. N. Rys., show very great increases in their working expenses. While the International Conventions tend to reduce the hours of work, here is the South Indian Railway that extorts extra work from its clerks by half-an-hour every day. Frequent labour disputes are never conducive to the progress of railways. The administration is top heavy and therefore cannot run smoothly. To quote an instance. Why should a highly paid officer be deputed to work under the Chief Publicity Officer when there are Agents drawing princely salaries in different railways and when there are five officers working under him. One has to be convinced that all steps have been taken towards retrenchment in the higher grades of service. I would ask the Government to appoint a committee of officials and non-officials to inquire into the possibilities of retrenchment in the higher grades of service. Until this is done, all proposals for retrenchment in the lower grades must be held in abeyance.

Mr. M. Maswood Ahmad (Patna and Chota Nagpur *cum* Orissa: Muhammadan): There is no doubt that the Railway Budget shows a heavy loss. At the time of the budget estimates in previous years, at least some amount was shown as transferred to the Reserve Fund. It does not matter if this amount was more or less, but the actuals of 1929-30 show that 2.08 crores were drawn from the Reserve Fund and in 1930-31 it is proposed to draw 10.86 crores from the Reserve Fund—5.12 crores to meet the loss and 5.74 crores to meet the payment due to general revenue. The estimated income in 1931-32 is 6 crores more than this year, with a net gain of 1.21 crores only, but if this estimated income of 6 crores does not come to that some how or other, then instead of a profit of 1.21 crores, there are chances of this amount becoming less and therefore the profit will also be either less or it will end in a loss. If the estimate of increased income has again been over-estimated as in previous years, then there may be a heavy loss again. It is proposed to take 4.15 crores from the Reserve Fund to balance this year's Budget and a closing balance of 1.33 crores for the Reserve Fund has been shown. If the estimated income decreases, then I do not know how the deficit will be met. Then it is a peculiar sort of business that, year after year, the Reserve Fund is decreasing and no attempt is made to lower the expenditure and to increase the income. The only course is to reduce the expenditure and to effect retrenchment. I do not propose that the retrenchment should be in all the Departments but from the Railway Board very easily 10 per cent. can be reduced. The great difficulty I find is that the Railway Board's Budget has been divided into three parts. One is pay for officers, the other is pay of establishment, and the third is other charges. In other charges I find contribution to Provident Fund and gratuities to non-pensionable establishments. I do not find what amount has been proposed for contribution to Provident Fund, and what amount has been demanded for gratuities. The business has made a loss. The loss is so heavy that the Reserve Fund has come down to one crore. I do not think any business man will be able to pay gratuities in this condition of the business. It is quite clear that retrenchment must be effected and I hope it will be effected.

[Mr. M. Maswood Ahmad.]

I want to place one thing more before the House at this stage. I said on the 19th that Muhammadans are in a very low number in the services. I find something has been mentioned about it in the Memorandum regarding the representation of Muslims in the railway services.

Mr. President: Order, order. The Honourable Member can refer to that when that specific cut is proposed. At present we are dealing with a motion for retrenchment by a cut of 10 per cent. in the Railway Board's Demand, and the question that the Honourable Member now proposes to discuss will arise on a later occasion.

Mr. M. Maswood Ahmad: I want to draw the attention of the Railway Board to this, that if a retrenchment of 10 per cent. is made, Muslims should not be affected by that, and for that purpose I want to place my reasons. Muslims are very few in the services. Their percentage is very low and if they will be affected by retrenchment, then there will be no Mussalman in the service and in view of your ruling that this question is not relevant at this stage, I would only draw the attention of my Honourable friend, Mr. Hayman, to it and postpone my remarks to a later stage.

I think a saving is possible in the Railway Board by reducing the number and pay of higher officers, by omitting gratuities, and by Indianisation.

Lala Hari Raj Swarup (United Provinces: Landholders): I propose to make a few remarks, Sir, on this subject not from the point of view of an expert but from that of a layman. The Honourable Member in charge of Railways has made a reference in his Budget speech to the need of retrenchment, and I congratulate him on that score, but I assure this House that the measures proposed by him fall far short of our requirements and needs. The Reserve has been reduced from 18 crores to 1½, and the Depreciation Fund is also being used up and unless we resort to a scheme of strict retrenchment the railways in India, I am sure, will be reduced to the verge of bankruptcy. When we are about to march on a new constitutional journey, it is but proper that those who are in charge of railways at this time should try to effect every possible retrenchment and turn the railways into a perfectly managed system on strict commercial lines. Towards that end, I think two things are most essential. One is to scrutinise the separation convention minutely, because I feel in the interest of retrenchment it is necessary that the strict control of the Finance Department of the Government of India, that used to be on the railways before the separation convention came into force, should be restored. The Finance Department will view things in the interests of the people as a whole and not take a sectional view like the Railway Board.

The second thing to which I attach importance is the setting up of a Retrenchment Committee, or, pending that, the appointment of a special officer to go into matters of detail of the railway administration, and suggest means by which retrenchment can be brought about. ("Hear, hear".) One most important thing to be taken into consideration is the Divisional Scheme of railways which was started only a few years ago, and I hold that the Divisional Scheme has been a very expensive experiment. Huge buildings have been taken on rent; high-salaried officers have been appointed and attached as personal staff to the Divisional Superintendents, and several officers have been placed at the headquarters of the Divisions

to do most of the work which used to be done by district officers who are still there. This was utterly unnecessary. The chief advantage of setting up a Retrenchment Committee will be that their sole task being to go into the retrenchment aspect of every question, they will try to tap every avenue of economy. Several sources of economy may be revealed by them, which might ordinarily escape the notice of the Railway Board. I may quote another example; there is I am told a Sports Officer in the Railway Board and similar Sports Officers are attached to the offices of the Agents. Sir, when we are running the railways at a loss, I do not see what necessity there is for engaging these officers, who may be safely done away with. Therefore, I urge upon the Government to take the suggestions of this House in the right spirit and search every avenue of retrenchment, so that when we are on our new Constitutional march, we may not be asked to work the railways as a losing concern and waste our time in devoting attention to effecting retrenchments, etc., but on the other hand we should be enabled to take over the railways as a paying concern and thus devote our attention and time to questions of broad national policy.

The Honourable Sir George Rainy: Sir, it is perhaps a little difficult for me to reply fully on this occasion to everything that has fallen from the Honourable Members who have spoken. My Honourable friend, Mr. Das, for example, traversed a great deal of ground—possibly he feared that the guillotine might fall before he reached certain other subjects—but I do not think it would be right for me to follow him over the same ground and reply to all that he has said on somewhat extraneous topics, because I should expose myself to the charge of making a long speech on all these subjects and thereby preventing other cuts proposed by other Honourable Members from coming up. But there is one feature of the debate that struck me as a little interesting but curious, and that was the nature of some of the reasons given for making a cut of ten per cent. in the Demand for the Railway Board. Perhaps previous speakers sometimes forgot what the precise question was to which at the moment they were addressing themselves,—as, for example, my Honourable friend, Mr. Das, who thought that there ought to be a different kind of Financial Commissioner on very substantially higher pay. It struck me that this proposal was not a good reason for making a ten per cent. cut in the Demand for the Railway Board, because if the grant is reduced how can I find the pay of that highly-paid officer? Then, again, Mr. Das complained that we had not applied ourselves sufficiently to examining the question whether the new extensions which we have made in recent years were proving remunerative, and he wanted a special officer. Possibly it might be useful to have a special officer to examine that question, but if so, is that a reason for making a ten per cent. reduction in the Demand for the Railway Board? (Laughter.) Then he said, what had we ever done in our stores purchase policy to meet the demand for the encouragement of Indian industries? And I gathered that he was prepared to regard price as a secondary consideration, provided the purchases were made in India. I am not saying anything about the merits of that suggestion just now, but the fact that you are going to pay a higher price is not a reason for making a ten per cent. cut! (Laughter.) Then again my Honourable friend, Dr. Ziauddin Ahmad, said that he wanted managing directors drawn from the ranks of non-officials. Sir, that may be a good plan or a bad plan, but it is not a reason for making a ten per cent. reduction in the Demand for the Railway Board.

Mr. C. S. Ranga Iyer: On a point of order, Sir. It is the custom in this House when an Honourable Member makes a particularly strong

[Mr. C. S. Ranga Iyer.]

speech—and there are previous rulings to that effect—that he should be present to hear the reply; and when the Honourable the Leader of the House is so replying, I find that one such Honourable gentleman, Dr. Ziauddin Ahmad, is conspicuously absent.

Mr. President: I know of the rulings to which the Honourable Member has referred.

Mr. C. S. Ranga Iyer: Of Sir Frederick Whyte.

Mr. President: I know of the rulings to which he has referred. It is the parliamentary practice that when a Member has criticized, he should be present to hear the reply. But Honourable Members know that I do not possess the power physically to bring any Honourable Member here, (Laughter.)

Mr. S. C. Mitra: The Honourable Member could not anticipate that the Honourable the Railway Member would be rising to speak just now.

The Honourable Sir George Rainy: I could not hear, Sir, all that fell from Mr. Reddi on the other side of the House, but I did catch the words, "a strong case for raising salaries". Well, that again, seemed to me a slightly inadequate reason for the ten per cent. reduction. (Laughter.) The main points which have been taken in support of this cut are of course the same as were urged by several speakers when the general discussion on the Budget took place. The point was raised again and again that a general reduction in the scale of wages and salaries was necessary, and that a Retrenchment Committee should be appointed and so on. I do not know that I can add materially to what I said when introducing the Railway Budget, on these points. I said then that I recognized that it might be necessary eventually to appoint a Retrenchment Committee to deal with the railways, but that I thought that the Committee would have to be mainly an expert committee. I am particularly anxious that during the next four or five months, or perhaps six months, the Agents and their staffs should proceed vigorously with the economies which we have already undertaken, and I do not want them to be diverted from that, either by the demands which a Retrenchment Committee would necessarily make for information from them, or by the feeling that by the appointment of such a committee they were relieved from all further responsibility as regards retrenchment. I want them all to feel that it is their business primarily to effect retrenchments, and I want them to convey that right down to the chain of officers as far as it can go. I believe in that way you are most likely to get immediate and substantial results.

As regards the ten per cent. cut in salaries or whatever may be the figure, I adhere to what I have already said that, if such a measure becomes necessary, it cannot be dealt with purely as a question affecting the Railway Department, but will have to be handled as an all-India question. I do feel this very strongly that, in a Department like Railways, if isolated action were to be taken, there would be a great sense of injustice felt by large bodies of railway servants all over the country, the effect of which might be very serious, and I do think they are entitled to considerate treatment at our hands.

My Honourable friend, Mr. Das, asked me to take a lesson from the Tata Hydro-Electric Company. It was not very clear what lesson I was to take; possibly it was a lesson to hand over the managing agency of the

railways in India to Americans. It may be that this was in his mind, but it does not sound to me quite a feasible proposition at the moment, even if we did make a ten per cent. reduction in the appointments of the Railway Board. He then went on to consider the question of stores purchase policy. I do not wish to reply to that just now because it will certainly come up later on one of the other cuts, for I believe one of them stands sufficiently high on the list to be reasonably certain that it will come on.

Mr. B. Das: I do not want to move that if you reply now.

The Honourable Sir George Rainy: If so, then I think the Honourable Member cannot be too anxious to hear a reply from me.

Now, as regards my Honourable friend, Dr. Ziauddin, his first complaint was that as a business concern we were not making a nearly high enough profit and he appealed to my Honourable friends in the European Group for their opinion whether they would not consider a business that was making only $4\frac{1}{2}$ per cent. profit a one-horse show. At the present moment I do not think they would look contemptuously on a figure of $4\frac{1}{2}$ per cent. for it is a percentage which in existing circumstances has a certain merit about it. But my Honourable friend referred to that figure as if it were a typical figure of what we usually earn; and although he had the Report of the Railway Board in his hands, he did not refer to the percentages of the previous four years which were all in excess of 5 per cent. and in 1924-25 rose nearly to 6 per cent. In the second place, I would point out that 1929-30, the year for which he quoted the figure of $4\frac{1}{2}$ per cent, was a year in which we had begun to feel the effects of the trade depression, although the full effect had not yet become manifest. It is obvious that, if that is the criterion to be applied, we must either take a reasonably normal year, or an average over a series of years. But apart from that, is it the policy in accordance with which this House desires that the railways should be administered, that they should be administered purely as a profit-earning concern? If so, what is the meaning of the provisions of the separation convention, which prescribes what is to be done with the surplus after the interest charges have been met? It is laid down that a certain amount goes as a contribution to general revenues and the balance is applied to the Reserve Fund. The whole point of that Reserve Fund is just this that, as it accumulates, it makes it possible to make reductions in rates and fares. And if that is the policy, then it becomes obvious that you cannot test the efficiency with which the concern is administered merely by applying any rough and ready test as to the rate of the return which it earns on the capital invested in it. It is clear that other considerations come into play, the great consideration being the desirability of keeping down rates and fares as low as possible, and in the second place, I am quite sure the general feeling of the Members of this House would be that they have also to consider what is a reasonable remuneration for the members of the staff, and particularly the low paid staff. And these are not purely commercial considerations.

Now, I regret a little, some of the remarks that fell from my Honourable friend. I am not going to take them up in detail, particularly those in which he named certain officers, partly because I was unable to hear exactly what he said, and partly because I think that if in this House we once get into the habit of attempting to deal on imperfect information with the merits or demerits of particular officers, it cannot make for anything but a series of most unfortunate incidents. It is not reasonable, it seems to me, that we should be asked to deal with half-suggested

[Sir George Rainy.]

accusations flung out at random, to which it is impossible really to reply. But on the general accusation of favouritism, I should like to say this that, if it is the view of my Honourable friend that appointments should always go by seniority and that you must not, because you will be accused of favouritism, pick out a junior officer whom you consider particularly good, I will ask my Honourable friends of the European Group once more whether they consider that good commercial management. My Honourable friend must take his choice. If he wishes the railways to be tried by commercial tests, then we must follow commercial methods. And the whole secret of good management as well as good commerce, is to select the best men and put them in the responsible positions.

My Honourable friend expressed the view that the Staff and Labour side of the Railway Board was far too strongly staffed and that there was room for considerable reduction. My Honourable friend, Mr. Hayman, has given very convincing reasons to show that we get extremely good work and extremely valuable results from the officers whom we employ; and I believe that if my Honourable friend were really to go into the subject—I am quite sure Mr. Hayman will be very glad to tell him anything he wants to know—I believe he would satisfy himself that we are getting extremely good work out of these officers, and that the work they are doing is really necessary. But what makes me doubt whether my Honourable friend has gone so deeply into the chapter as he might have done is his reference to what was said at the time the Demand for the Labour Member of the Railway Board was first put forward. It appeared to me quite clear that his information was inaccurate, or his memory was misleading him, and I have taken the trouble to look back to the original Memorandum which was placed before the Standing Finance Committee. What I find is this:

“The proposal is that there shall be one Member in charge of the transportation and commercial work which comes to the Board and one Member who will be in charge of all Staff work including both Labour questions generally and all the Establishment work which is at present performed in the Establishment branch.”

This is perfectly explicit, and I should not have taken the trouble to refer to it except from this point of view, that I would ask my Honourable friend to remember that if there is any question of bringing charges, or even of imputing motives, one has to be as accurate as one can with one's facts.

Dr. Ziauddin Ahmad: I also request you to read also paragraph 27 of your speech at page 979.

The Honourable Sir George Rainy: I had read the paragraph of the Memorandum which was put before the Standing Finance Committee before I made my speech and which was before the Members of this House at the time they voted on the proposal.

I should like to turn now to my Honourable friend, Mr. Shahani, who went through the list of the various items in the Railway Board's Budget and told us how he thought reductions could be made. I do not deny, it may be possible to make some reduction in the cost of the Railway Board, and it will be our duty to do what is possible in that direction. I do

not deny that. There is nothing sacrosanct about the Railway Board's office. If we can see good reasons why we can dispense with a particular appointment without any loss of efficiency, then we shall have no hesitation in making the reduction. But I should like to point out to my Honourable friend that if he merely takes the estimate and goes over it item by item, it is not very difficult to write down a smaller figure against each item and thus to prove that a reduction can be made. But in actual practice, it is not quite as easy as that. One of the points which my friend criticised is that of Rs. 1,28,000 for the rent of the building occupied by the Railway Board. The actual fact is this. In accordance with the rules laid down, the Public Works Department charge the Railway Board for the quarters they occupy in the Imperial Secretariat and the payment is merely a book proposition. The actual expenditure is incurred in the Public Works Department, and it raises a debit raised against the Railway Department there. And supposing we did reduce that item, it merely means that the Public Works Department itself would have to bear the charge which was not voted in the Railway Budget. Then again my Honourable friend suggested that the pay of the Superintendents was too high,—Rs. 550 rising to Rs. 800, and asked whether we could not employ more junior officers and give them a lower rate of pay? But the posts of Superintendents among the clerical appointments are prize appointments to which our clerks hope to rise towards the end of a long service, and we cannot summarily say, we shall employ junior people, because we can give them a lower rate of pay. Then my friend asked, why the Secretary to the Railway Board should draw such a high rate of pay. It would be quite possible no doubt, to employ a more junior officer as Secretary. But the only result would be that the more senior officer drawing a higher rate of pay would be employed somewhere else on one of the railways, and there would be no net reduction in the Railway Budget. We should have a smaller cost in the Railway Board's Office and a higher cost in somebody else's office, and on balance we should be exactly where we were before. I thought it worth while to go into these instances in order to show that it is not enough to run through an estimate and suggest that there is room for reduction; but when it comes to the actual point, it is only the people actually in charge who can say whether a reduction is possible.

Now, Sir, I think I have dealt with the main points that have been raised specifically on this question of retrenchment and I do not want to travel into the other matters which were raised. But I should like to emphasise once more the extreme importance, in the circumstances in which we live today, of the Staff work that has been undertaken in the Railway Board's Office. If Honourable Members believe that that is a

4 P.M. temporary feature and that it would be possible to go back to earlier arrangements, with only a Director and a small establishment that they are misleading themselves, for in this matter we are not at the end of things, we are only at the beginning. There is no question at all about the industrial development, or about the growing awakening of labour to a consciousness of its own needs and to an impression that by exerting itself by agitation and by other methods it can secure a larger place in the Sun than it has hitherto occupied. That is a matter which concerns all employers of labour in this country and of course intimately concerns the Railway Department. Now, if we are to deal with these new developments wisely and if we are to avoid unnecessary friction and trouble, then I say we have got to organise ourselves to meet it.

[Sir George Rainy.]

That will apply to each Railway Administration separately, and it will also apply to the headquarters organisation, because in all matters such as labour legislation we cannot expect the driving power to come from below and there must be a headquarters organisation that keeps itself in touch with these things and to deal with each emergency as it arises. I do attach great importance to this and I hope the House will not, by anything it does, convey the impression that it regards the interests of labour or the interests of the railway staff generally as a matter about which it is indifferent and which it thinks can be conveniently put in a corner to be disposed of as best it may. (Applause.)

Mr. B. Das: Sir, I appreciate the concluding remarks of the Honourable the Railway Member. I do not think any non-official Member on this side of the House wants in any way to retrench or reduce generally the amenities of labour or to oppose betterment of the conditions of living of the labour population. I know there are two Members here who are Members of the Royal Commission on Labour and whatever propositions the Railway Board and particularly the Railway Labour Member have to put forward before that Commission for the safeguarding of the interests of labour, let me assure the Honourable the Railway Member and the Government of India, that none on this side would want to reduce the social amenities and better conditions of living of the labour classes. If some of us advocated a reduction in salary—at least I did that—and limited it to the staff getting Rs. 30 and above, we feel that as the prices are going down from 30 to 50 per cent., no hardship would be caused to a man who is earning Rs. 30 and above by cutting down his salary by 10 per cent.

Sir, I listened most attentively to the reply the Honourable the Railway Member gave. His protest was so gentle and mild that I thought that if he was, as I am, on this side of the House, he would have no doubt agreed with me straight that there should be retrenchment by cutting down the salaries by 10 per cent. But then he is handicapped. There is his Honourable colleague, the Finance Member; there are the Provincial Governments. What will happen to them if the railways suddenly decide on a 10 per cent. reduction? But my Honourable friend forgets that the railway staff and railway officers enjoy certain advantages and facilities such as free housing, railway passes, and other railway concessions for themselves and for their wives, families and relations up to the seventh generation and they can travel first class and second class on the railways all over India on passes. These amenities are not enjoyed by the staff of the Honourable the Finance Member or in other Departments of the Government of India. That is the reason why the Honourable Member's Department has come forward with this deficit Budget and I think his Budget is the most glaring instance of mismanagement. It is best for him that he should face the situation. Let him face it and accept it and go on with reduction, and I know my Honourable friend, Sir George Schuster, will take his lead and the same Retrenchment Committee could do the work of all the Departments in the Government of India.

I would like to make one observation about my Honourable friend's reply to Mr. Shahani. What Mr. Shahani suggested was that there would not only be a reduction of expenses when the staff of the Railway

Board do not make their hill journey, but there will also be house rent saved to the Public Works Department. Mr. Shahani did not suggest that the Public Works Department should not let-out these houses to Government officials or private persons; from what I know there are always houses wanted by Government officials; there are less houses in Simla than are required; and if the Railway Board does decide that the Railway Board should not go to Simla, then many houses will be vacant for officers of the essential Departments.

As to the observations which my Honourable friend the Railway Member made about interest charges, I think a wrong impression has been created, that the railways are earning 5 to 6 per cent. or even 7 per cent. That is not the net earning. One has to see that money is allotted to annuity and sinking funds and share of surplus profits of the Company-managed railways; and I may just point out here that two or three years ago, in submitting their appropriation accounts, the Railway Department or the Accountant General, Railways, used to put down the actual percentage of profit. Now those mathematicians have left it to this side to compute the percentage of loss or profit accruing to particular railways. I find that the North Western Railway is run at a loss of 1.5 per cent; the Eastern Bengal Railway at a profit of probably .5 per cent.; the East Indian Railway at a profit of 1.5 per cent; the Great Indian Peninsula Railway at a profit of .5 per cent. If the Honourable Members on the other side want that we should calculate . . .

The Honourable Sir George Rainy: Will the Honourable Member kindly give me the reference? I do not quite know to what figures he is referring.

Mr. B. Das: I am referring to Vol. I, page 15, and the Appropriation Accounts, and page 20 of the Director of Railway Audit's Report (1928-29). What is given there? The net receipts, that is, the gross receipts less working expenses, but excluding surplus profits and the percentage is calculated on the capital. But what about the interest?

The Honourable Sir George Rainy: I think the small percentages my Honourable friend is giving are the excesses over the final profit after interest has been charged. The figures I was giving—4.65 and 5 per cent., and upwards—represented the return on fixed capital before charging interest.

Mr. B. Das: I am not thinking of interest so much now; I am thinking of the appropriation to Depreciation Fund, and the moment you take away appropriation to Depreciation Fund there is nothing left. My Honourable friend, Sir George Schuster, I think will subscribe to what I have said (Laughter): I think we examined it in the Public Accounts Committee. I am correct there, I am sure, and I lay a particular charge against the Railway Board and also against the Accountant General, Railways, that they deliberately did not put down the actual net profit on the capital investment—perhaps they want us on this side to become mathematicians and to compute the actual figures for ourselves by working them out on paper. Probably the next year's Public Accounts Committee will perhaps see to this.

[Mr. B. Das.]

I entirely agree with my Honourable friend, the Railway Member about his view as regards the Americanisation of the Tata Hydro-Electric Schemes. What I was suggesting to him was a palliative, that the process of economy and Indianisation, which the present Americanised management of the Tata Hydro-Electric Company has been following, may be copied and he may well take a leaf out of that American management.

I whole-heartedly agree with the Honourable the Railway Member about his observations that certain instructions are essential to the various Railway Agents to practise economy and to retrench everywhere. Even with the appointment of this Retrenchment Committee which I suggest, no one wants these Agents to slacken in their work of retrenchment. Whether the Committee will be a railway committee or a Government of India committee to go into the affairs of railways, as the Inchcape Committee did, it should not worry Railway Agents. It should meet the various heads of Departments, like the Finance Department and other Departments and it should come to definite conclusions on the particular lines on which they should take action. So I do not think that the object, which my Honourable friend the Railway Member has in mind that the Railway Agents should work a little more and should be awake to the realities of the situation, will suffer.

Sir, I think I have met most of the points that arose out of the reply of the Honourable the Leader of the House, and I think in spite of his reply, in his heart of hearts he agrees with this side of the House that there should be retrenchment and there should be economy. But then, as the Railway Department is his pet Department and it is a Department which allows him to control finances to the extent of 105 crores and sometimes capital expenditure to the extent of 25 crores, it is rather hard on him to agree with the criticisms from this side of the House that the axe should be immediately applied; but I hope he will see the reasons so cogent and so scientific that have been advanced. He appealed to his European colleagues about the commercial aspect of the thing. My friends, the Europeans, manage commercial concerns, and when a concern does not pay, they sack their officers and staff in order to make the concern pay. If my Honourable friend will consult Sir Hugh Cocke, he will confirm this. I shall be very glad if Sir Hugh Cocke is appointed as special officer in the Railway Department for retrenchment. My friends should take a leaf out of the book of the European commercial organisations and so also should the Government of India take a leaf out of their book and should concede what we have asked. This reduction of Rs. 1,15,000 is an index. I would like my friend to yield to us and agree with us over this retrenchment. But this retrenchment is nothing if my Honourable friend and the Government of India do not agree to our demand that there should be a Retrenchment Committee appointed immediately which would look into the question of reduction of expenditure in all directions.

Mr. President: The question is:

"That the Demand under the head 'Railway Board' be reduced by Rs. 1,15,000."

The Assembly divided:

AYES—46.

Abdur Rahim, Sir
Anwar-ul-Azim, Mr. Muhammad.
Azhar Ali, Mr. Muhammad.
Bhuput Sing, Mr.
Das, Mr. B.
Dudhoria, Mr. Nabakumar Sing.
Ghuznavi, Mr. A. H.
Gour, Sir Hari Singh.
Harbans Singh Brar, Sirdar.
Hari Raj Swarup, Lala.
Ibrahim Ali Khan, Lt. Nawab
Muhammad.
Jadhav, Mr. B. V.
Jha, Pandit Ram Krishna.
Jog, Mr. S. G.
Joshi, Mr. N. M.
Lahiri Chaudhury, Mr. D. K.
Maswood Ahmad, Mr. M.
Misra, Mr. B. N.
Mittra, Mr. S. C.
Muazzam Sahib Bahadur, Mr.
Muhammad.
Mujumdar, Sardar G. N.
Neogy, Mr. K. C.

Pandian, Mr. B. Rajaram.
Phookun, Mr. T. R.
Puri, Mr. Goswami M. R.
Rajah, Raja Sir Vasudeva.
Ranga Iyer, Mr. C. S.
Rao, Mr. M. N.
Reddi, Mr. P. G.
Sadiq Hasan, Shaikh.
Sarda, Rai Sahib Harbilas.
Sen, Pandit S. N.
Shafee Daoodi, Maulvi Muhammad.
Shah Nawaz, Mian Muhammad.
Shahani, Mr. S. C.
Singh, Kumar Gupteshwar Prasad.
Singh, Mr. Gaya Prasad.
Sitaramaraju, Mr. B.
Sohan Singh, Sirdar.
Suhrawardy, Dr. A.
Sukhraj Rai, Rai Bahadur.
Thampan, Mr. K. P.
Tun Aung, U.
Uppi Saheb Bahadur, Mr.
Yakub, Maulvi Muhammad.
Ziauddin Ahmad, Dr.

NOES—53.

Abdul Qaiyum, Nawab Sir Sahibzada.
Acheson, Mr. J. G.
Alexander, Mr. W.
Allah Baksh Khan Tiwana, Khan
Bahadur Malik.
Anklesaria, Mr. N. N.
Ayyangar, Diwan Bahadur V.
Bhashyam.
Bajpai, Mr. R. S.
Banarji, Mr. Rajnarayan.
Baum, Mr. E. F.
Bhargava, Rai Bahadur Pandit T. N.
Boag, Mr. G. T.
Chatterjee, The Revd. J. C.
Cocke, Sir Hugh.
Crerar, The Honourable Sir James.
Dalal, Dr. R. D.
Fazl-i-Husain, The Honourable Khan
Bahadur Mian Sir.
Fox, Mr. H. B.
French, Mr. J. C.
Graham, Sir Lancelot.
Gwynne, Mr. C. W.
Hamilton, Mr. K. B. L.
Hayman, Mr. A. M.
Heathcote, Mr. L. V.
Hezlett, Mr. J.
Ishwarsingji, Nawab Naharsingji.
Ismail Ali Khan, Kunwar Hajee.

Jawahar Singh, Sardar Bahadur
Sardar.
Jehangir, Sir Cowasji.
Khurshed Ahmad Khan, Mr.
Krishnamachariar, Raja Bahadur G.
Montgomery, Mr. H.
Moore, Mr. Arthur.
Morgan, Mr. G.
Mukherjee, Rai Bahadur S. C.
Pandit, Rao Bahadur S. R.
Parsons, Mr. A. A. L.
Rafuddin Ahmad, Khan Bahadur
Maulvi.
Raghubir Singh, Kunwar.
Rainy, The Honourable Sir George.
Rajah, Rao Bahadur M. C.
Roy, Mr. K. C.
Sahi, Mr. Ram Prashad Narayan.
Sams, Mr. H. A.
Schuster, The Honourable Sir George.
Scott, Mr. J. Ramsay.
Sher Muhammad Khan Gakhar,
Captain.
Shillidy, Mr. J. A.
Studd, Mr. E.
Sykes, Mr. E. F.
Tin Tüt, Mr.
Wajihuddin, Khan Bahadur Haji.
Yamin Khan, Mr. Muhammad.
Young, Mr. G. M.

The motion was negatived.

The Assembly then adjourned till Eleven of the Clock on Tuesday, the 24th February, 1931.

LEGISLATIVE ASSEMBLY.

Tuesday, 24th February, 1931.

The Assembly met in the Assembly Chamber of the Council House at Eleven of the Clock, Mr. President in the Chair.

QUESTIONS AND ANSWERS.

EXCLUSION OF CERTAIN RESOLUTIONS FROM THE AGENDA OF A MEETING OF THE AMBALA CANTONMENT BOARD.

683. ***Mr. Jagan Nath Aggarwal:** (a) Is it a fact that an adjournment motion was brought forward by the elected members of the Ambala Cantonment Board in the meeting held on the 27th January, 1931, to draw attention to the gross illegality committed by the President in not including in the agenda two resolutions sent by an elected member with due notice?

(b) Are Government aware that under the regulations framed by the Cantonment Board, Ambala, and sanctioned by the Punjab Government under section 44 of the Cantonments Act of 1924, the President is bound to include in the agenda any proposal sent by a member seven days before the date of the meeting?

(c) Is it a fact that the two proposals referred to in part (a) were sent in time for inclusion in the agenda?

(d) Is it a fact that the Government of India's circular No. 30512-3 (A.D.), dated the 29th of December, 1925, clearly lays down that the President has no power or discretion to exclude from the agenda any proposal sent by a member with due notice?

(e) Are Government aware that the President was informed by the Vice-President of his having no authority under the law or the regulations framed for the conduct of the proceedings of the Ambala Cantonment Board, to exclude the proposals from the agenda and yet he insisted upon doing so?

(f) Is it a fact that when the adjournment motion was defeated owing to its having been opposed by the official majority, the non-official members walked out as a protest?

(g) Is it a fact that the President held the meeting *in camera* without recording reasons for his doing so as required by the Cantonments Act of 1924?

(h) Is it a fact that the elected member whose proposals were excluded from the agenda has been served with an order to quit the Cantonment, under section 239 of the Cantonments Act by the General Officer Commanding the Station, who is no other than the President of the Board himself?

(i) What action, if any, do Government propose to take against the President for:

- (1) illegally excluding from the agenda, proposals sent by a member in time; and
- (2) holding the meeting *in camera* without recording reasons for his doing so?

Mr. G. M. Young: I have called for a report and will communicate with the Honourable Member when it is received.

UNSATISFACTORY WAITING ROOMS AT BHUBANESWAR.

684. ***Mr. B. N. Misra:** (1) Are Government aware:

- (a) that the third class waiting room at Bhubaneswar station is in a very insanitary condition, there being a latrine in a part of it and in its front and a drain on its southern side;
- (b) that the intermediate class waiting room is located in a very small space carved out of the third class waiting room and is detached from the main platform;
- (c) that Bhubaneswar is a holy place, a place of architectural interest; and
- (d) that numerous pilgrims frequent the place during Rath Jatra (Car festival) and during holidays and experience great hardship on account of the inconvenient waiting room?

(2) Are Government prepared to advise the railway authorities of the Bengal Nagpur Railway to remove the inconveniences and locate the intermediate class waiting room alongside the platform?

Mr. A. A. L. Parsons: The answer to part (c) is in the affirmative. Regarding the other matters referred to, the Agent of the Bengal Nagpur Railway has been addressed, and I will communicate with the Honourable Member at a later date.

ADMISSION CARDS ISSUED FOR THE INAUGURAL CEREMONIES OF NEW DELHI.

685. ***Mr. Bhuput Sing:** Will Government be pleased to state:

- (a) the number of applicants that applied for cards of invitation for the functions on the 10th and 12th of February in connection with the inauguration of New Delhi;
- (b) the number actually issued on those applications for each day;
- (c) the number of cards that were issued by way of compliment for those days;
- (d) whether cards were issued on applications made long after the date fixed therefor; if so, the number of such cards issued and the names of applicants to whom they were issued;
- (e) the capacity of seating accommodation in each block in each day's function;
- (f) whether a sufficient number of cards were issued to fill up every block;

(g) the reason or reasons for which wives and daughters of Indian members of the Assembly were given tickets for blocks different from those of the Members;

(h) whether cards were issued to persons living outside Delhi either on application or by way of compliment; and if so, the names and addresses of all such persons?

Mr. J. A. Shillidy: (a) About 11,000 for the two functions.

(b) 3,800 for 10th February, 1931, 4,000 for 12th February 1931.

(c) All tickets were issued on application except in the case of the State guests.

(d) Allotments were made up to the last moment as seats were found available. I regret I cannot give the information asked for as it would entail a very great deal of detailed enquiry, which would not serve any particular purpose.

(e) 3,806 for 10th February, 1931.

4,000 for 12th February, 1931.

(f) Yes.

(g) The requirements of the Honourable Members were complied with as far as possible. In the case of late applications, it was not possible in a few instances to put family members alongside the Honourable Members without dislodging other Members.

(h) Yes. I regret again that details cannot be given on account of the great clerical labour which this would involve.

STALLS AT THE PEOPLE'S FETE IN DELHI.

686. ***Mr. Bhuput Sing:** Will Government be pleased to state:

(a) the number of applicants that applied for stalls at the Show on the Bela Road at the People's Fête;

(b) how many of the stall-holders were (i) Hindus (ii) Mussalmans, and (iii) Europeans;

(c) the number of stalls that were intended solely for gaming;

(d) whether any distinctive fee was charged from those stalls that indulged in gaming; and

(e) whether there was any difference in the fee charged from the different stall-holders?

Mr. J. A. Shillidy: (a), (b), (c), (d) and (e). As I have mentioned in reply to another question in the House, the People's Fête was managed by a Committee, which was not an official body. I regret therefore that I am not in possession of the information asked for by the Honourable Member.

[GRIEVANCES OF THE MOPLAHS.]

687. ***Mr. Uppl Saheb Bahadur:** (1) Are Government aware:

(a) that the Moplahs are different in their language, culture, customs and race from the other Muhammadans and the other peoples of India;

(b) that they form more than one-third of the entire Muslim population of the Madras Presidency;

(c) that they are very poorly represented in the Government services?

(2) Will Government be pleased to state:

(a) how many Moplahs there are in the Indian Police Service, Indian Civil Service and Postal, Income-tax and Railway superior services; and

(b) whether Government propose to take any steps to remedy this grievance?

The Honourable Sir James Crerar: 1. (a) I have no doubt that the Honourable Member is better qualified to express an opinion on these matters than I can claim to be.

(b) Yes.

(c) This is doubtless true as regards the All-India and Central Services, but I have no information as regards the Services under the control of the Madras Government.

2. (a) I have no detailed information.

(b) Government see great difficulty in treating the Moplahs as a separate entity in regard to the representation of minority communities, but otherwise the field is open to them to the same extent as to other communities.

SUGAR-CANE BREEDING STATIONS IN INDIA.

688. ***Mr. Uppi Saheb Bahadur:** Will Government be pleased to state:

(a) whether it is a fact that there is only one sugar-cane breeding station for the whole of India; and

(b) whether it is a fact that no new variety of thick cane suitable for South Indian conditions has yet been introduced?

The Honourable Khan Bahadur Mian Sir Fazl-i-Husain: (a) No. The Imperial Sugar-cane Specialist has two cane-breeding stations at Coimbatore, one of which is specially devoted to thick canes for the tropical parts of India, the other to thin and medium canes for Northern India.

(b) No. Improved varieties of thick cane were first distributed in Madras by the Department of Agriculture over a quarter of a century ago. Since then newer varieties have been introduced from time to time.

INTRODUCTION OF NEW VARIETIES OF SUGAR-CANE.

689. ***Mr. Uppi Saheb Bahadur:** Will Government be pleased to state:

(a) whether it is a fact that before new varieties of canes evolved in the Government breeding stations are popularised in the country, such varieties are tried in only Government farms;

(b) whether prominent agriculturists and agricultural organisations have been made to interest themselves in such trials by inducing them to do so with sufficient encouragement;

(c) whether there has been any instance where private individuals or organisations have intimated their willingness to do such work; and

(d) whether such requests are favourably considered?

The Honourable Khan Bahadur Mian Sir Fazl-i-Husain: (a) No; new varieties of sugarcane are tested both on Government farms and private farms before being adopted for general distribution.

(b) The introduction of new canes into cultivation is a matter for provincial Departments of Agriculture. The reports of those departments show that in the principal sugarcane growing provinces prominent agriculturists and agricultural organisations co-operate actively with the Agricultural Departments.

(c) Yes.

(d) Yes.

PRIZES FOR AGRICULTURAL IMPROVEMENT.

690. ***Mr. Uppi Saheb Bahadur:** Will Government be pleased to state:

(a) what action has been taken by them in regard to the recommendation of the Royal Commission on Agriculture to award a cash prize of Rs. 10,000 for the best agricultural improvement each year;

(b) whether it is a fact that the Imperial Council of Agricultural Research considered this recommendation and recommended the award of a medal in its stead; if so, why; and

(c) whether Government are prepared to reconsider the question of giving effect to the recommendation of the Royal Commission on Agriculture in this respect?

The Honourable Khan Bahadur Mian Sir Fazl-i-Husain: (a) This has been referred to the Imperial Council of Agricultural Research for consideration.

(b) No; the Council proposes to award a cash prize in addition to the grant of gold and silver medals after experience has been gained regarding the utility of such prizes as a result of the competition already advertised for a prize for a bone-crusher.

(c) Does not arise.

GRANT OF FACILITIES TO INDIANS VISITING SUGAR FACTORIES IN JAVA.

691. ***Mr. Uppi Saheb Bahadur:** Will Government be pleased to state:

(a) whether it is a fact that the representatives of sugar manufacturers in Java visited this country recently to study the market conditions;

(b) whether such representatives received all facilities from either the Central Government or the Local Governments in this behalf;

- (c) whether they are aware that even access to sugar factories in Java was refused to Indian; and
- (d) whether Government are in a position to secure such facilities to Indian visitors in Java in respect of the manufacture of sugar?

The Honourable Khan Bahadur Mian Sir Fazl-i-Husain: (a) Yes. A representative of the Java Sugar-cane Producers' Association recently visited India.

(b) He was given assistance by the Secretary of the Sugar Bureau in reciprocation of the assistance which had been given to the Indian Sugar Committee when they were in Java. He brought with him direct introductions to some Indian sugar factories.

(c) The facts are not quite as stated. The Indian delegates to the third Congress of the International Society held in Java in June, 1929, were given facilities for visiting the cane-breeding stations, certain sugar estates, several mills and the sugar experimental station. It is, however, true that facilities for foreigners especially those from sugar producing countries to visit Java factories are strictly limited, but there has been no discrimination against Indians.

(d) No. Proprietors of Java sugar factories and estates are not prepared to admit visitors whose object is to copy their methods, but limited facilities for scientific work can doubtless be obtained on a reciprocal basis, as in the past.

Mr. K. Ahmed: Are Government aware that there are many Indians in Java who have got relations here, and they would be valuable if some facilities were given by the Department of the Honourable Member so as to bring them over here and assimilate their ideas and experience?

The Honourable Khan Bahadur Mian Sir Fazl-i-Husain: A valuable suggestion which is noted.

ENCOURAGEMENT OF *Gur* MANUFACTURE AS A COTTAGE INDUSTRY.

692. ***Mr. Uppi Saheb Bahadur:** Will Government be pleased to state:

- (a) what action they propose to take to encourage and develop the manufacture of *gur* as a cottage industry; and
- (b) whether such action will be expedited before the end of the present trade depression?

The Honourable Khan Bahadur Mian Sir Fazl-i-Husain: (a) and (b). The Imperial Council of Agricultural Research has sanctioned a scheme for work on cane-crushing and *gur* boiling plants.

IMPROVEMENTS IN THE MANUFACTURE OF *Gur*.

693. ***Mr. Uppi Saheb Bahadur:** Will Government be pleased to state:

- (a) whether the Sugar Technologist has submitted any scheme for effecting improvements in the manufacture of *gur*; and
- (b) whether the scheme will be placed on the table of the House?

***The Honourable Khan Bahadur Mian Sir Fazl-i-Husain:** (a) Yes.

(b) The scheme is under consideration and in Government's opinion no useful purpose would be served by placing it at this stage on the table of the House.

SUGAR-CANE CULTIVATION.

694. *Mr. Uppi Saheb Bahadur: Will Government be pleased to state:

(a) what portion of work in regard to sugar-cane cultivation is done by the Government of India; and

(b) what portion of work is done by the Local Governments?

The Honourable Khan Bahadur Mian Sir Fazl-i-Husain: (a) The Government of India maintain the Imperial Sugarcane Specialist and his staff at the two cane-breeding stations at Coimbatore for the production of new varieties of cane and the Sugar Bureau. They also provide for research work at Pusa on sugarcane insects and diseases. The Imperial Council of Agricultural Research now provides a Sugarcane Technologist, and has given a grant to the Sugarcane Section of the Harcourt Butler Technological Institute, Cawnpore, to provide a miniature factory for technology training and research in sugar technology. It has made grants for further work on sugarcane diseases, for a cane-breeding sub-station at Karnal, and for additional research work in the principal sugarcane provinces on the testing of new seedling canes, on the design of improved cane mills and *gur*-boiling pans.

(b) Local Governments maintain experimental farms for the testing of different varieties, the study of improved methods of cane cultivation and manuring adapted to local conditions, and also undertake sugarcane research. The distribution of improved canes is carried out by provincial Departments of Agriculture.

PROVISION OF WARM COATS, ETC., FOR TELEGRAPH AND TELEPHONE LINE STAFF IN THE BIHAR AND ORISSA CIRCLE.

695. *Mr. Uppi Saheb Bahadur: Will Government be pleased to state why warm coats, umbrellas and waterproofs are not provided to telegraph and telephone line staffs in the Bihar Circle? Have the postal peons and overseers in the Bihar Circle enjoyed those boons since 1929?

Mr. H. A. Sams: Under existing rules, the officials referred to are not entitled to the articles of uniform mentioned by the Honourable Member. Government have, however, generally approved of a scheme for extending this concession to them, and this will be given effect to as soon as the financial position permits.

As regards the latter part of the question, information is being collected and will be supplied to the Honourable Member in due course.

Mr. K. Ahmed: Will Government, in order to bring about uniformity as early as possible, curtail the expense in other provinces and bring in some money into the Behar circle in order to bring about equality of treatment?

(No reply was given.)

PROSPECTS OF TELEPHONE LINEMEN.

696. ***Mr. Uppi Saheb Bahadur:** Will Government be pleased to state whether there are any prospects for the telephone linemen, who are not at all times given Sub Inspectors of Telegraph's posts? Are Government prepared to open the post of Sub-Inspector, Telephones, for the telephone linemen at an early date?

Mr. H. A. Sams: Telephone linemen are eligible under the existing rules for promotion to the grade of Sub-Inspectors.

APPOINTMENT OF TELEPHONE OPERATORS.

697. ***Mr. Uppi Saheb Bahadur:** (a) Will Government be pleased to state whether their attention has been drawn to the letter entitled "Telephone Operators", published in the *Search Light* of the 25th December, 1930? If so, will Government state why the non-matriculate candidates, whose names were registered in the Patna Telephone Office for the posts of telephone operators and who have officiated for some time, are now ignored for any post in the said branch?

(b) Do Government propose to provide the said candidates with posts?

Mr. H. A. Sams: (a) and (b). Government have no information. If the individuals in question consider that they have any grievance they are at liberty to represent it through the usual channel.

ISSUE OF ADMISSION CARDS FOR THE INAUGURAL CEREMONIES OF NEW DELHI.

698. ***Rai Bahadur Sukhraj Rai:** Will Government be pleased to state :

(a) who was the officer in charge of the ceremonies in commemoration of the inauguration of New Delhi and under what Department of Government;

(b) who was the officer in charge of the issue of cards to the relations of the Members of the Central Legislatures who had applied for the same;

(c) if it is a fact that some members did not get such cards for most of the functions and were not favoured even with replies in spite of several reminders;

(d) whether it is a fact that many seats remained vacant in the ceremony for the inauguration of the Dominion Columns; and

(e) why complimentary cards were withdrawn from the display of aeroplanes on the 14th February, 1931?

Mr. J. A. Shillidy: (a) and (b). The Officer on Special Duty in the Central Public Works Department under the direction of the Industries and Labour Department.

(c) I understand all Members received cards for themselves, and I think the Honourable Member is referring to applications which were made for cards for friends of Members of this House. I regret that it was not possible to comply with all requests. We should have been only too glad to do so had there been accommodation available.

•(d) No. A few seats were vacant as persons to whom tickets were issued were unable to attend for various reasons.

(e) No complimentary cards were withdrawn after issue, so far as I am aware.

POLICE Lathi.

699. ***Rai Bahadur Sukhraj Rai:** (a) Will Government be pleased to state what is the weight of a police *lathi*?

(b) Have a number of men and women been killed by the blows of *lathis*? If so, what is the total number of such deaths?

(c) Is the *lathi* studded at both ends with brass and iron of eight inches depth?

(d) Will Government lay on the table a sample of *lathi* used by the Delhi Police?

The Honourable Sir James Orerar: (a) and (c). Each province has its own pattern, the details of which are not known to the Government of India.

(b) I have no specific information, but have no doubt that the number, if any, has been very few.

(d) No.

Mr. Gaya Prasad Singh: Is the Honourable Member prepared to give an ocular demonstration of the way in which the *lathi* is used by the police? (Laughter.)

Mr. K. Ahmed: Is it not confined to the district only from which the Honourable Member comes?

PATNA TELEPHONE ADMINISTRATION.

790. ***Rai Bahadur Sukhraj Rai:** (a) Will Government be pleased to state whether their attention has been drawn to the correspondence published under heading "Patna Telephone Administration" in the *Liberty* of the 3rd January, 1931?

(b) If so, is the post of the Telephone Inspectors pensionable and is there any allowance for working on holidays?

(c) Is there any chance for the Telephone Inspectors for promotion to the higher posts in the Department?

(d) Does the Selection Grade for Telephone Inspectors exist in Patna? If not, is there any likelihood of its being introduced in the near future?

(e) Is there any selection grade for telephone operators in India just as it exists in Postal and Telegraph Branches?

(f) Is Patna allowance given to Telephone Inspectors in Patna? If not, is there any likelihood of its being sanctioned?

(g) Are there four cadres in Patna Division of grades 35—75, 40—80, 35—135, and 40—140? Is there any truth in the rumour that these grades are being brought into one common cadre of grade 40—140?

Mr. H. A. Sams: (a) Yes.

(b) The reply to the first part is in the affirmative and to the last part in the negative.

(c) Telephone Inspectors are not ordinarily eligible for promotion to any higher post in the Department. They may, however, compete for direct recruitment to the post of Engineering Supervisor provided that they fulfil the conditions prescribed.

(d) and (e). There are no Selection Grade posts for Telephone Inspectors and telephone operators generally, and there is at present no likelihood of such being sanctioned.

(f) No. The staff of the Indian Posts and Telegraphs Department stationed in Patna do not get any local allowance. The answer to the second part of this question is in the negative.

(g) With the general revision of pay sanctioned in 1928 Telephone Inspectors and Class I operators serving in Patna City and in the mofussil of the Patna Division have been given the scales of Rs. 40—5—140 and Rs. 35—5—135, respectively, while for class II operators the scales are Rs. 40—4—80 and Rs. 35—4—75, respectively. There is no scheme under consideration of bringing these grades into one common cadre.

MOTION FOR ADJOURNMENT.

SUMMARY TRIAL AND EXECUTION OF HABIB NUR AT PESHAWAR.

Mr. President: I have received notice of a motion for the adjournment of the House from Dr. Ziauddin Ahmad, who proposes to discuss a definite matter of urgent public importance, namely, the summary trial and execution of Habib Nur at Peshawar on the 19th instant. I have to inquire whether any Honourable Member has any objection to this motion.

The Honourable Sir James Crerar (Home Member): I submit that the motion is not good on the ground of urgency for either of two alternative reasons. If the Honourable gentleman's intention is to discuss the merits of this particular case, I submit that in the circumstances of the case this cannot now be treated as a matter of urgency. If, on the other hand, the intention is to discuss the provisions of the law, then, I submit again that this is not a matter of urgency, and if, as I understand it, it is the Honourable Member's intention to discuss amendments of the law, that again cannot be regarded as a matter of urgency within the meaning of the Rules of Business relating to motions for the adjournment of the House.

Mr. President: As objection has been taken, I would request those Honourable Members who are in favour of leave being granted to rise in their places.

(Several Honourable Members rose in their places.)

Mr. President: Order, order. As not less than 25 Members have risen, I declare that leave is granted and that the motion will be taken up for discussion at 4 P.M. this afternoon.

THE RAILWAY BUDGET—LIST OF DEMANDS.

DEMAND No. 1—RAILWAY BOARD—*contd.*

Mr. President: The House will now proceed with the Railway Budget. The next motion on the Order Paper is in the name of Mr. Sitaramaraju. I should like to ask whether in view of the discussion which took place on Mr. B. Das's motion for retrenchment, the Honourable Member is still desirous of moving his motion.

Mr. B. Sitaramaraju (Ganjam *cum* Vizagapatam: Non-Muhammadan Rural): I wish to move

Mr. Muhammad Yamin Khan (Agra Division: Muhammadan Rural): May I rise to a point of order. Was it not decided yesterday, with the consent of the whole House, that only one motion would be taken about the substantial reduction, and that we should all vote on it, and that other cuts would be taken only regarding the policy?

Mr. President: That could only be taken as the general sense of the House, but I do not think that under the Rules and Standing Orders I can bind every Member of the House not to exercise the rights which the law and the Rules and Standing Orders give to him. If he insists upon moving it, I must in accordance with the Rules and Standing Orders permit him to do so.

Mr. Muhammad Yamin Khan: With the consent of the House, to which the Honourable Member who is now moving was also a party, you decided that there should be only one cut.

Mr. President: Order, order. The Honourable Member will recognise that the Chair has no authority to deprive an Honourable Member, even by the consent of an overwhelming majority of the House, of the rights and privileges which are conceded to him under the Rules and Standing Orders.

Retrenchment.

Mr. B. Sitaramaraju: Sir, I do realise that my task is very much lightened by the discussion which we had on the debate yesterday on a similar cut. My cut is for a lower amount. I feel that the Honourable Members of this House may be disposed to accept it, as it is for a lesser amount. In moving this cut, I do not propose to go over the ground that had been covered yesterday. My only justification for moving this cut is that it is common knowledge that the Government of India is faced with heavy deficits all round and there is a grave apprehension in the country that the Government would not be inclined to take the very bold step of making substantial reductions in expenditure on all heads, but may resort to additional taxation which I submit the country will not be willing to bear. Therefore, I feel that expenditure in every branch of the administration should be reduced, and I feel that under this head also a substantial reduction should be made. Yesterday, the Honourable the Railway Member, Sir George Rainy, spoke in justification of the expenditure, but I feel that the speech was not satisfactory from our point of view. There was one serious charge which was levelled against the Government of India by the Honourable Member, Mr. Das, and that was that a substantial increase was found for the first time under the non-voted grants, and the Honourable Sir George Rainy in his speech made no

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reply to that serious charge. I was very anxious to hear what the explanation of the Government would be on that point. There was no explanation. Then there is another point which I should like to mention, and it is this. The Honourable Mr. Hayman yesterday quoted some figures to show how really substantial savings were made by the increase of the expenditure shown. Well, Sir, it was the same argument which was advanced by him at the time when the Honourable Member wanted to separate audit from accounts; but in fact the results were exactly the other way to those foreshadowed by the Honourable Member, Mr. Hayman. Therefore, I say, Sir, that we have to receive with great caution the figures quoted by the Honourable Member yesterday. There is a body like the Public Accounts Committee, which has to go into the details and scrutinize them before this House can be asked to accept the same. It is not my intention to detain the House any longer because considerable discussion has already taken place. Sir, I move.

Mr. President: The question is:

"That the Demand under the head 'Railway Board' be reduced by Rs. 1,00,000."

Maulvi Muhammad Yakub (Rohilkund and Kumaon Divisions: Muhammadan Rural): Sir, there can be no doubt that there is extravagance in the Railway Board, and that there is full room for making retrenchments. Last evening certain instances of extravagance were quoted by the Honourable Members who spoke yesterday on my friend, Mr. B. Das's motion, and I entirely agree with them that some of those instances were quite correct; for instance, there can be no doubt that certain branches of the Railway Department are over-staffed and that certain posts, some of which were enumerated by my esteemed friend, Dr. Ziauddin Ahmad, could very well be abolished. But it is not in this direction alone that extravagance is rampant. I would draw the attention of the House to another direction in which the Railway Department is most extravagant, I mean in the matter of the expenditure on the houses and other luxuries which are provided for the Agents and Divisional Superintendents on the different lines. Sir, if you go to a district, you will find that the luxuriant and costly buildings, electric installations and big gardens which are provided for the Divisional Superintendents are such as even the representative of the King-Emperor in that district does not enjoy—and this is all at the expense of the Railway Department. You will also find, Sir, that ballrooms, institutes and other arrangements by way of recreation are provided for the railway people at the expense of the Indian tax-payer. ("Hear, hear.") I say, Sir, that this is very objectionable. And here no question of efficiency nor any other thing can come in the way of making drastic retrenchments in this direction. I hope therefore that the Railway Department will take serious notice of these observations. So, while I concede that there are these cases of extravagance, I must submit that the charges which were levelled against the appointment of Mr. Hayman by certain of my friends yesterday were not at all justified. Sir, we all know that the Railway Department is the largest employing agency in the country, perhaps with the exception of the Army, and if one officer is appointed to look after the grievances of the employees and the methods of their employment—one officer in the country, from Peshawar right down to Cape Comorin—you cannot say

that that appointment is not justified. We know it from our personal experience that Mr. Hayman comes to his office every morning at about 8-30, and never returns to his house before 7 or 8 P.M. Well, I think, he is the most over-worked officer in the Government of India. (Applause.) I do not say that all his activities are in the right direction (Laughter); I do not say that whatever he does at his desk in his office is what it should be, but this much I can say, that one cannot criticise the appointment of a Member who does all this work.

There were one or two other points which were raised yesterday by some of my Honourable friends; for instance, Professor Shahani said that some portion of the staff of the Railway Board should be kept in Delhi while a small portion thereof should go up to Simla. Well, if the entire staff of the Government of India or of the Railway Board is made to stay in Delhi, I will not object to it, but, Sir, does my Honourable friend, Professor Shahani, want that the Indian Members of the Railway Board should be kept in Delhi in the scorching sun of May and June and the malarious months of September and October while all the European officers should go to Simla and enjoy themselves? If this suggestion is accepted, it will come to this, that the high European officers will go to Simla and the poor low-paid Indian officers will have to stay in Delhi to suffer the inclemencies of the climate. So I submit I cannot agree with him in the remarks which he made.

An Honourable Member: That is a minor point.

Maulvi Muhammad Yakub: Sir, I do not want to take up much time in support of this motion, and with these remarks I commend the motion which has been moved by my friend, Mr. Raju.

Mr. B. N. Misra (Orissa Division: Non-Muhammadan): Sir, I rise to support the motion. Unfortunately we lost yesterday the bigger cut. Sir, the Budget shows a very gloomy feature, and that is that we have to appropriate Rs. 10 crores from the Reserve Fund and so on. We are thus in a difficulty, and no one will deny that. The real point, however, is how to meet it instead of drawing from the Reserve Fund this Rs. 10 crores which we have to draw. The position is otherwise. The Honourable Member said that if we propose any cut of even 5 or 4½ per cent. or any per cent. in the salaries of the highly-paid men, they will find it very difficult; and so also if we cut from the salaries of the lower-paid men, that is of those on Rs. 30 and upwards, they will also feel it much. No doubt everybody would feel it. It would touch his pocket, but we have to see, Sir, who can bear it—from which source we have to retrench. It is not by retrenching so many officers or so many men, but the retrenchment must be confined to those who can bear the loss. It is surely not reasonable to ask that those who cannot bear the brunt, namely, the poorly paid men, should have a reduction in their salaries. The Railway Member said yesterday that the salaries of the highly paid men should not be touched because they have to provide for so many luxuries and comforts and there are so many demands on their purse to meet the amenities of life. But one thing is clear. Whatever it may have been in the past, and whatever hopes and expectations may have been formed, let us all understand now that these high salaries should not be paid in future and hereafter. Sir, it may not be this year that we shall succeed

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in effecting retrenchment of 5 or 10 per cent. but let it be clearly understood that reduction must henceforward begin and that it must continue. It may not be done in one or two years, but it must be done sooner or later. It must be treated as a commercial concern. In business and commerce everybody makes a profit. Even an oil seller who invests one rupee in a tin of oil sells that tin for Rs. 1-4-0 or Rs. 1-6-0, making a profit of 4 or 6 annas. But why cannot these railways, which have a capital of hundreds of crores, make any profit at all? It is a shame. From the layman's point of view one cannot believe that such a commercial concern cannot earn anything and cannot show any profit. Whether it is to their credit or their discredit it is for them to consider. Not to speak of respectable people, they cannot even go to an ordinary man in the street and convince him. We are not experts; we are poor people who do not even deal in hundreds. But here they are dealing in crores and I find it a little difficult to understand myself how these crores are made up. For Repairs they have 37 crores, for Inspection they have so many crores, for the Railway Board they have so many crores. They are always dealing in crores which I find it somewhat difficult to understand. But to come back to the main point, there must be retrenchment. I have got a motion for a cut of Rs. 100 to discuss the policy. I think I shall speak a few words on that too. But retrenchment must begin. The Honourable the Railway Member said that he will not think of reducing the salaries of those who draw salaries up to Rs. 30. I thank him for his kindness and mercy, but I think it is very grudging mercy, a stinting mercy and a very miserly mercy that he has shown. I say and I maintain that those who draw salaries up to Rs. 100, i.e., junior servants, clerks, etc., should not be touched. They must not have an eye upon these poorly paid men. They must think of the men above that, and as regards that, many of my friends have said that there must be a sliding scale. I think for people drawing from Rs. 100 to Rs. 500 there should be a reduction of 5 per cent.; for people who draw a salary of Rs. 500 to Rs. 1,000 there should be a reduction of 10 per cent.; and those who draw a salary of Rs. 1,000 and upwards should have their pay reduced by 20 per cent. It will not be great loss to them. Supposing there is a man who gets Rs. 2,000 and his salary is reduced by 20 per cent., he will get Rs. 1,600, and it will not be a great loss to him. They should think of the fate of their many unfortunate brethren who are serving in the same line who are equally educated, equally competent, equally fit and are drawing a much smaller pay either in the railway service or in the other services. If they kill the goose that lays the golden eggs how can they live themselves? If the railways become bankrupt in a few years what will be their position and how can they maintain themselves? If a man begins on a low salary, and then after some years is fortunate enough to get Rs. 2,000 or more, he should think of his less fortunate brethren and try to live on a lower salary so that he may not feel it. It is only greed that makes a man love these fat salaries. Who does not wish to get more money? If I get Rs. 2,000 I shall wish to get Rs. 4,000, and if I get Rs. 4,000, I shall try for Rs. 10,000. But we must now make up our mind to cut our coat according to the cloth that we have, and must practise simple living, as Mahatma Gandhi said the other day. No man is a *Ravana* with 10

mouths and 20 bellies. If one man can live on Rs. 100, there is no reason why another should want Rs. 5,000. Therefore I say to the Railway Member that this will not at all be a hard thing. You have only to make up your minds. If a man makes up his mind that he will be satisfied with Rs. 1,000, certainly he will be satisfied and that will suffice for his requirements. You can also get good service and contented men. There are thousands of people who get much lower salaries, but they are contented, honest and competent men and they are as hard-working as men in any other service. Therefore I appeal to the Honourable the Railway Member and the Railway Board that they must make up their minds to have retrenchment. If they do not want to have it all at once it may be done gradually so that the men may get used to it. What cannot be cured must be endured, and therefore the men must consent to retrenchment and get used to it. The retrenchment must be not only on this item but on every item.

This is about retrenchment. I have one other question to deal with. It is neither a communal question nor a racial one. I do not plead for any community on the ground of race or caste or religion. I am simply urging my case on the ground of convenience and facilities to the passengers and travellers. Sir, the Bengal Nagpur Railway runs over the whole Oriya-speaking country over 800 miles.

Maulvi Muhammad Yakub: Sir, is the Honourable Member relevant in talking about the Oriyas on this motion?

Mr. President: The Honourable Member must restrict his observations only to retrenchment.

Mr. B. N. Misra: Very well, Sir. Then I have nothing more to say.

Mr. A. A. L. Parsons (Financial Commissioner, Railways): Sir, I am glad of this *rechauffee* of yesterday's debate because it will enable me to deal with one or two points which were raised by Honourable Members who spoke yesterday and to which I think a reply has not yet been given. I do not propose to deal with subjects which were discussed and to which a reply was given yesterday and my Honourable friend, Mr. Misra, will therefore forgive me if I do not again go over the ground with regard to a reduction of salaries. The question was raised yesterday and again today why our non-voted expenditure shows a considerable increase, and I think there was a suggestion that there was some sinister motive underlying the alteration. I can assure Honourable Members that there was no such motive on the part of the Railway Board. What happened was this. Up to last year, under a provision of the Government of India Act, the salaries and pensions of officers appointed by the Secretary of State were treated as non-votable. An alteration was made in the Act, I think, in 1925, whereby, instead of the salaries and pensions of officers appointed by the Secretary of State being non-votable, the salaries and pensions of officers appointed by the Governor General in Council or by the Local Governments before the 1st of April 1924 to certain services or posts specified under the Act were declared to be non-votable. What then became necessary was to prepare a list of those services and posts, and this was not a matter which was a particular concern of the Railway Department or the Railway Board. But last October the Governor General in Council, with the approval of the Secretary of State, issued

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a list of such services and posts, and in consequence of those orders we have had to treat a certain number of officers as non-voted, who before were treated as voted. You may ask why the Railway Board did this. I can only answer that, as usual, we did what we were told.

I would now like to turn to the steps which we have actually taken to reduce our expenditure in the Railway Board, excluding any question of a reduction of salaries. There is not actually very much in the Railway Board's expenditure which is capable of reduction apart from establishment charges. Take contingencies, for example. Our total contingent grant for next year is about 2½ lakhs. Over a half of that is for rent which, as was explained by the Honourable the Railway Member yesterday, we cannot reduce. If we reduce it, it would merely mean a smaller receipt by the Public Works Department and the Government as a whole would not be benefited a penny. The allotment for liveries is a very small one and it cannot probably be cut down. Stationery and Printing, we are taking steps to reduce and we think we can bring down the expenditure there by considerably more than the 10 per cent. which has been so generally mentioned. As regards telephones, we have withdrawn house telephones from most officers and a very considerable number of office telephones too. I may say that at present I myself have not got a house telephone. The savings in this direction will be more than 10 per cent. With regard to the move to Simla, which I think Mr. Shahani mentioned, I have not got actual figures here, but I am satisfied that, unless the whole office remains in Delhi all the year or remains in Simla all the year, there will be no saving at all. If some portion remains down here and some portion goes to Simla and comes down to Delhi, you cannot get a saving. My friend, Maulvi Muhammad Yakub, mentioned as an item of saving the expenditure on houses for officers. As a matter of fact I think he will find that there is no such expenditure proposed in next year's Budget, but I do not think a charge can reasonably be levelled against us that we have incurred extravagant expenditure on houses during the last four or five years. We have laid down scales of accommodation and the amounts which can be spent on officers' houses.

Maulvi Muhammad Yakub: But that scale is very high.

Mr. A. A. L. Parsons: I do not think so, but I should be perfectly prepared to examine it and see if it can be reduced; and I should like to know any specific instance in which he considers that a house recently built has been on too grandiose a scale. I daresay some of the older houses built at a time when building was much cheaper than now, might be described, as miniature palaces, but I have not myself had the good fortune to reside in any of them. We have, as I have said, laid down scales of accommodation and the limits of expenditure for each class of officer, and on the whole I do not think we build houses for officers except where accommodation cannot be obtained at a reasonable rent, for instance, in places like Bombay and Calcutta or in places such as a new railway colony—Dohad for instance—where otherwise there would be no place for them to live in.

I will mention one further item to show that the Railway Board are attempting to reduce their own expenditure just as they are pressing on Agents and all subordinate officers to reduce their expenditure. There is an appointment on the Railway Board on the engineering side becoming vacant in the next six weeks or so.

Maulvi Muhammad Yakub: Is it not a fact that special trains are run for the children of the railway employees for taking them to schools and from schools during the summer vacation?

Mr. A. A. L. Parsons: Perhaps the Honourable Member will let me first finish the point on which I am now talking. There is an appointment becoming vacant in the Railway Board in about six weeks' time or two months' time—the post of a Director. As the House knows from a study of the Budget papers, actually there will be very little new engineering work to be done. Therefore there is some reason to believe that, on that side, we may be able to do without a Director at any rate for some months. We propose at present not to fill that appointment. I cannot say how long the present state of affairs will last, but during this temporary vacancy it is our intention to save the pay of one Director.

As regards the point just raised by my friend, Maulvi Muhammad Yakub, Mr. Hayman informs me that when there is a sufficient number of children of railway employees or others to fill up a train, going to school, we run a special train.

Maulvi Muhammad Yakub: Will this concession be allowed to students of the Muslim University or the Benares University during their vacations?

Mr. A. A. L. Parsons: I do not know that it is a concession. If the number is sufficient to pay us to put on a special train, I do not think there would be any hesitation.

Dr. Ziauddin Ahmad (United Provinces Southern Divisions: Muhammadan Rural): Will that be allowed to the children of the Butler School that moves between Delhi and Simla?

Mr. A. A. L. Parsons: I cannot give a categorical reply with regard to a particular school, which I did not even know of until the Honourable Member mentioned it, but I am perfectly certain that any Railway Administration would be prepared to run a special train whenever the applications for seats in it are sufficient to justify its being run.

Mr. C. S. Ranga Iyer (Rohilkund and Kumaon Divisions: Non-Muhammadan Rural): Will the Honourable Member be pleased to consider the advisability of running special trains both to Benares and Aligarh—at any rate to Aligarh—if an application is made in time and the requisite number of passengers are available?

Mr. A. A. L. Parsons: I am perfectly certain that the Agent of the Railway concerned would do so, but I doubt if it is necessary to get to him through the Railway Board. May I resume the thread of my remarks? I think I have now dealt with all the main points raised by Honourable Members. I wish only to make one further general remark on this question of reducing establishment. It is my opinion, and I believe it is shared by my colleagues on the Railway Board, that our establishment in the Railway Board could be reduced if further powers were

[Mr. A. A. L. Parsons.]

delegated to Agents. But it must be recognised that then the control over Agents will be lessened. I do not say that that would be a bad thing; but the choice lies between a reduction of the Railway Board's establishment with wider powers exercised by the general managers of our railways, and the continuance of the existing control over Agents and of the existing staff by which that control is exercised. It is impossible for the Railway Board to exercise that control over the management of railways which has so often been pressed upon them in this House unless there are instruments in their hands through which to exercise it.

Dr. Ziauddin Ahmad: Sir, I do not want to inflict another speech today

An Honourable Member: Why not?

Dr. Ziauddin Ahmad: I have said quite enough yesterday. But I do request the Members on the Treasury Benches to sympathise with our difficulties. We are responsible to the taxpayers who are our electors, for the wise administration of this Department, along with the administration of other Departments. I have got two difficulties, and I wish that the Member in charge of Railways would express some sympathy with me in my difficulties. My first difficulty is that we have just passed a budget for the current year with a deficit of about 11 crores. A Budget has now been presented before us where it is said there will be a deficit of Rs. 4½ crores: but what it will ultimately be about the end of the year we do not know, because from our experience last year we found that we were promised a saving of about one crore, but instead of getting that surplus we had a deficit of about 11 crores. Now, the deficits are sure to lead to some kind of taxation in some form or other; and we are responsible to our taxpayers who will ask us, "If you could have avoided fresh taxation by economising expenditure on the railways, why did you not do so?" I think that is a task which will fall on every one of us who is an elected Member of this House, who is responsible to the taxpayers, and the charge will be laid against us that if we did not help in this matter of economy we would be helping indirectly in imposing further taxation.

My second difficulty—and I hope that the Railway Member will kindly express some sympathy over this matter also—is that we have got two different administrations: five first class lines are administered directly by the Railway Board and the other five first class lines are administered by the Companies; and we find in the books supplied to us that the net income of those railways which are run by the Railway Board is less than 4 per cent., while the income of those lines which are managed by the Companies is over 5½ per cent. The circumstances are the same; all the railways are run under the same conditions; if there is trade depression, it affects all the railways equally; if there are some political troubles, they affect all the railways equally. But the fact remains that the net profit of the Company-managed railways is over 5½ per cent., while that of the State-managed lines is less than 4 per cent. and the average works out to something like 4·6 per cent. This is our difficulty; and as representatives of the taxpayers it will be asked of us, "While you were in the Assembly why did you not raise any objection on our behalf and why did you not allow this state of affairs to be brought

to the notice of the public?" This is the point to which I would like to draw attention.

There are various other matters. One case to which I have referred and for which I have not been given a proper reply, is that out of 21 officers, only 5 are permanent and the rest are holding temporary appointments. If they are to administer such a big concern involving the income and expenditure of about a hundred crores of rupees

Mr. President: Order, order. May I request the Honourable Member not to repeat the arguments that he used yesterday? The two arguments that he has already advanced are a repetition of what he said yesterday, to which the Honourable the Railway Member did try to give a reply. Honourable Members are aware that the time limit of four days is getting on and I hope they will avoid repetition.

Dr. Ziauddin Ahmad: All right, Sir. I shall just mention one or two points raised by Mr. Parsons just now in reply to the previous speech. With reference to a remark made by Mr. B. Das and myself, he mentioned that the non-voted amount has been more than doubled. He said it was due to the action of the Governor General in Council with the permission of the Secretary of State. Of course we are not blaming the Members of the Railway Board for it; but we are blaming the Government as a whole; and if it is done either by one part of the Government or the other, the facts remain the same—that the amount of non-voted expenditure is increasing, which is a very objectionable feature.

During the war, the Railway Board along with other Departments carried on retrenchment—so much so that they used the back side of papers already used and also the halves of papers of which one half had already been used. So, if they are determined to economise, the example of the war time shows that they can do so if they simply want to do it. If the will is there, I am sure they will find out the ways and means of executing it. As regards the maintenance of houses, a point which was raised by my friend, Maulvi Muhammad Yakub, I may just mention one thing, that in going over the maintenance of the Viceroy's House here in Delhi, the Finance Committee spent about half an hour and then wanted a memorandum from the Military Secretary and they retrenched the expenditure on the Viceroy's garden. If the expenditure on the Viceroy's House could be scrutinised by the Finance Committee and expenditure actually curtailed, I say, is it fair that the houses belonging to these railway officers on which large sums of money have been spent, should not be scrutinised by any public authority or by any authoritative persons?

In conclusion I say again that we are responsible to the voters and most of us who are here are not likely to return again during the next election

An Honourable Member: Why not?

Mr. C. S. Ranga Iyer: Why are you so pessimistic?

Dr. Ziauddin Ahmad: Let me finish the sentence.

An Honourable Member: Congressmen will come in.

Dr. Ziauddin Ahmad: We are not likely to return again during the next election unless we show to the public that we have faithfully discharged the trust imposed upon us. ("Hear, hear" from the Opposition Benches.)

The Honourable Sir George Rainy (Member for Commerce and Railways): Sir, I only wish to say a very few words in reply to what has fallen from my Honourable friend, Dr. Ziauddin.

Mian Muhammad Shah Nawaz (West Central Punjab: Muhammadan): Before the Honourable the Leader of the House begins to speak, may I ask whether he is prepared to appoint a Retrenchment Committee in respect of the expenditure on railways?

The Honourable Sir George Rainy: I think I mentioned that in my Budget speech, and I mentioned it again yesterday. I am quite willing to say it again. I said very distinctly yesterday that I regarded that as a possibility, that it may be a useful thing later on—to appoint a committee consisting mainly of experts. But also I said that I regarded it as all important that, for the next five or six months, the attention of the Agents should be concentrated in securing economies on the lines on which we have already started. I was afraid that if a Retrenchment Committee was appointed now, the effect might be, in the first place, that the Committee would make considerable demands for information from Agents which would take up their time and that of their officers, and in the second place, that Agents would feel that they were relieved of all responsibility and might leave retrenchment to the Committee. I want them to get on with economies just now without waiting for a Committee. That is the substance of what I said in introducing the Budget and the substance of what I said yesterday.

Then, Sir, with regard to what my Honourable friend Dr. Ziauddin Ahmad said, I did not find anything very new in his speech, but I should like to say a word about what he said as to the difference between the financial results on the Company-managed railways and on the State-managed railways. So far as the State-managed railways are concerned, I can remember during the years I have held the post of Railway Member that considerable pressure has been put upon us from time to time to reduce rates and fares and on the State-managed railways, when we believed that the financial position was sufficiently sound, we have done what we could to meet that demand. We have not the same control over the Company-managed railways as we have over the State-managed railways, and that is a point which must be remembered when you are comparing the results on the State-managed railways on the one hand and the Company-managed railways on the other.

Then my Honourable friend said that during the war a great deal of money was saved by using a very indifferent quality of paper. Those who were in India during the war remember that very well. But I should like to remind my Honourable friend that Mr. Parsons specially mentioned in his speech that the Railway Board were taking special steps to reduce expenditure on printing and stationery, and it is expected that a substantial saving will be effected. It is exactly that kind of thing that I regard as very important, and it will certainly not be overlooked.

I do not think, Sir, that it is necessary for me to take up the time of the House further, and I will therefore bring my remarks to a close.

Mr. B. Sitaramaraju: Sir, in replying to the debate, I feel I should state that, while thanking the Honourable the Railway Member for the

promise of the possibility for the appointment of a Retrenchment Committee even though it were to be at a somewhat distant date (*Honourable Members*: "He has not given any definite promise"), I hope that such a retrenchment committee in order to gain the confidence of this House will consist largely of members representing the people of this country.

Mr. President: The question is:

"That the Demand under the head 'Railway Board' be reduced by Rs. 1,00,000 "

The Assembly divided:

AYES—51.

Abdur Rahim, Sir.
Aggarwal, Mr. Jagan Nath.
Azhar Ali, Mr. Muhammad.
Bhuput Sing, Mr.
Chandi Mal Gola, Bhagat.
Chetty, Mr. R. K. Shanmukham.
Das, Mr. A.
Das, Mr. B.
Dudhoria, Mr. Nabakumar Sing.
Fazal Haq Piracha, Shaikh.
Gour, Sir Hari Singh.
Harbans Singh Brar, Sirdar.
Hari Raj Swarup, Lala.
Ibrahim Ali Khan, Lt. Nawab Muhammad.
Ishwarsingji, Nawab Naharsingji.
Isra, Chaudhri.
Jha, Pandit Ram Krishna.
Jog, Mr. S. G.
Krishnamachariar, Raja Bahadur G.
Maswood Ahmad, Mr. M.
Misra, Mr. B. N.
Mitra, Mr. S. C.
Mujumdar, Sardar G. N.
Neogy, Mr. K. C.
Pandian, Mr. B. Rajaram.

Puri, Mr. Goswami M. R.
Raghubir Singh, Kunwar.
Rajah, Raja Sir Vasudeva.
Ranga Iyer, Mr. C. S.
Rao, Mr. M. N.
Reddi, Mr. P. G.
Reddi, Mr. T. N. Ramakrishna.
Sadiq Hasan, Shaikh.
Sant Singh, Sardar.
Sarda, Rai Sahib Harbilas.
Sen, Pandit S. N.
Shafee Daoodi, Maulvi Muhammad.
Shah Nawaz, Mian Muhammad.
Shahani, Mr. S. C.
Singh, Kumar Gupteshwar Prasad.
Singh, Mr. Gaya Prasad.
Sitaramaraju, Mr. B.
Sohan Singh, Sirdar.
Suhrawardy, Dr. A.
Sukhraj Rai, Rai Bahadur.
Thampan, Mr. K. P.
Tun Aung, U.
Uppi Saheb Bahadur, Mr.
Walayatullah, Khan Bahadur H. M.
Yakub, Maulvi Muhammad.
Ziauddin Ahmad, Dr.

NOES—44.

Acheson, Mr. J. G.
Ahmed, Mr. K.
Alexander, Mr. W.
Allah Baksh Khan Tiwana, Khan Bahadur Malik.
Anklesaria, Mr. N. N.
Ayyangar, Diwan Bahadur V. Bhashyam.
Bajpai, Mr. R. S.
Banarji, Mr. Rajnarayan.
Baum, Mr. E. F.
Bhargava, Rai Bahadur Pandit T. N.
Boag, Mr. G. T.
Chatterjee, The Revd. J. C.
Cocke, Sir Hugh.
Crerar, The Honourable Sir James.
Dalal, Dr. R. D.
Fazl-i-Husain, The Honourable Khan Bahadur Mian Sir.
Fox, Mr. S. B.
French, Mr. J. C.
Graham, Sir Lancelot.
Gwynne, Mr. C. W.
Hamilton, Mr. K. B. L.
Hayman, Mr. A. M.

Heathcote, Mr. L. V.
Hezlett, Mr. J.
Jawahar Singh, Sardar Bahadur Sardar.
Montgomery, Mr. H.
Moore, Mr. Arthur.
Morgan, Mr. G.
Mukherjee, Rai Bahadur S. C.
Parsons, Mr. A. A. L.
Rafiuiddin Ahmad, Khan Bahadur Maulvi.
Rainy, The Honourable Sir George.
Rajah, Rao Bahadur M. C.
Roy, Mr. K. C.
Sahi, Mr. Ram Prashad Narayan.
Sams, Mr. H. A.
Schuster, The Honourable Sir George.
Scott, Mr. J. Ramsay.
Shillidy, Mr. J. A.
Studd, Mr. E.
Sykes, Mr. E. F.
Tin Tüt, Mr.
Yamin Khan, Mr. Muhammad.
Young, Mr. G. M.

The motion was adopted.

Representation of Muslims in Railway Services.

Mr. Muhammad Anwar-ul-Azim (Chittagong Division: Muhammadan Rural): Mr. President, I beg to move:

"That the Demand under the head 'Railway Board' be reduced by Rs. 160."

Mr. President: Order, order. I should like to know from the Honourable Member whether he wishes to move this token cut in regard to Indianisation and representation of Muslims as one issue, or as two issues, namely, one, representation of Muslims, and two, Indianisation.

Mr. Muhammad Anwar-ul-Azim: I will mostly deal with the representation of Muslims.

Mr. President: The difficulty is this, that unless each is put forward as a separate issue, it may be difficult to arrange the voting.

Mr. Muhammad Anwar-ul-Azim: I will give up Indianisation.

Mr. President: Then your motion will deal only with the representation of Muslims.

Sardar Sant Singh (West Punjab: Sikh): Sir, I rise to a point of order. About this representation there are several cuts proposed by several Honourable Members. The present one is No. 7. Further down, you will find No. 18, which is a similar motion, in the name of Dr. A. Suhrawardy; under No. 19 Maulvi Muhammad Yakub raises the same question. Under No. 20 Mr. Ranga Iyer raises the question of communal representation in railway service, and under No. 40 I have a motion dealing with the representation of the Sikhs in the railway service. May I know if all these motions can be taken together?

Sir Hari Singh Gour (Central Provinces Hindi Divisions. Non-Muhammadan): How can they be taken together? This applies to Muslim representation.

Mr. President: The point the Honourable Member is raising is a very simple one. The Rules and Standing Orders provide that if one motion has been debated, other motions of an identical character lapse. If the Honourable Member (Mr. Anwar-ul-Azim) moves the token cut to ventilate the question of representation of Muslims in the railway services, then all the other motions dealing with that particular subject will not come up for discussion, but those Members who have given notice of such motions will have an opportunity of taking part in this debate; they will not be allowed to move their motions separately.

Sardar Sant Singh: May I know whether my motion dealing with the representation of the Sikhs will be considered as a separate issue from the present motion which deals with Muslims?

Mr. President: Certainly. It would be a separate motion, because this one deals with the Muslims and the other one deals with the Sikhs.

Mr. S. G. Jog (Berar Representative): On a point of order, Sir. Muslim representation and Indianisation are two distinct issues to my mind and I think those two issues

Mr. President: The Honourable Member has not followed what has taken place. The Honourable Member (Mr. Anwar-ul-Azim) is restricting himself to one issue only, namely, the representation of Muslims.

Mr. B. Das (Orissa Division: Non-Muhammadan): On a point of information, Sir. It has been the practice hitherto, in arranging token cuts, to put those first which embrace the whole railway management, and then the smaller cuts. This time I find that it has been arranged in the way as it has been received by the Department. I only want to point out that this year it has not been done in the same way as it has been done in past years.

Mr. President: The procedure followed by the office is exactly what was followed before. The point that the Honourable Member has raised deals with retrenchment motions, and if he will observe the Order Paper, he will find that because his motion of retrenchment was for Rs. 1,15,000 it was put above the one for a lakh of rupees. As regards token cuts, they are arranged in the order in which they are received, and it would be extremely difficult for the office to follow the procedure that the Honourable Member suggests. It is easy to determine precedence in regard to amounts, but it is very difficult to determine the relative precedence as regards the subject matter dealt with in a particular token cut.

Mr. B. Das: May I submit, Sir, this? I have not got that in mind. I had in mind Mr. Neogy's motion for a cut which deals with the future constitution of the Railway Board, and which I think is a more comprehensive token cut than the smaller issues which are raised in some of the other motions.

Mr. President: That will come in due course. It can only be dealt with in the order in which it appears on Order Paper, and I hold that the Order Paper has been correctly prepared.

Mr. Muhammad Anwar-ul-Azim: I am indeed very sorry that this task, this heavy task of representing our side of the case for the consideration of the Assembly, should fall upon my slender shoulders. I do really wish that the task had fallen on the shoulders of some soldier-knights, the Nawab following my faith—but as it has fallen to my lot, I will not shirk my responsibility. At the outset I should like to impress on my Honourable friends to my right and to my left that it is not my purpose at all to bring in any controversy by which my purpose might be misunderstood. I am not here going to say what other people living in this country should or should not have, so far as the consideration of this motion is concerned, but I should like, Sir, as far as I can, to represent our side of the story. I should also make it clear, Mr. President, that if this motion, this small humble motion of mine is carried, it is not likely to bring in the Moghul Empire again or deprive the equanimity or balance of mind of anybody in any part of the House. You know, Mr. President, this is a token cut. Even if it is carried, it will not touch one hair of the Railway Board. That being the case, I will now proceed with the subject matter of my cut. It will be within the recollection of my colleagues in the Assembly that a few days ago a memorandum was supplied to all Members of this House concerning the Moslem representation and there the Railway Board have tried, most feebly, if I may say so, to justify their conduct, rather the breach of faith with the Moslems, so far as the representation of Mussalmans in the railway services are concerned. Now, the first page starts with the memorable Resolution passed on the 10th March, 1923, in a

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modified way at the instance of Sir Devaprasad Sarvadhikary, and little farther on what the late lamented Sir Alexander Muddiman as Home Member said with regard to our representation generally in all spheres. It will be within the recollection of senior Members and others that some sort of systematic treatment by the way of a Report of the Railway Board as a whole dates perhaps from the beginning of the present reforms. The reforms under the ægis of the Government of India Act, 1919, started from 1921. If one happens to look at the earlier volumes, one will find that not only the Railway Board have tried to hoodwink and do all sorts of juggleries with our representation, but they have also at the same time tried to mislead, if I may say so, without prejudice to anybody, with regard to the actual strength of the people of all communities in this country, so far as the railway services are concerned. Mr. President, of course I am not going to blame the Railway Board on that score, but if you look at the pages of the Report of 1920-21, you will find one or two sentences only are alone mentioned in this connection. On this they speak of the total number of people serving the railways "belonging to all races". That is the description they gave so far as the employment of Indians was concerned at that time. There they are absolutely silent not only with regard to the representation of Mussalmans, but also with regard to other nationalities living in this country, and by the method of not classifying clearly to what class of people these servants of the railway belong, they perhaps thought in their wisdom that they would be able to keep off from the gaze of the public what was the state of affairs then so far as Indians were concerned, and that system, Mr. President, was allowed to continue up to the end of the first Assembly, that is up to the year 1923. Then in 1923, some better brains were introduced into the Railway Board. They thought as there was clamour from all sides about the preponderance of one class or other in the railway service something new was needed. They then changed the classification. They classified the servants in this way—"Europeans, Anglo-Indians and Indians". Perhaps the clamour at that time was that the Anglo-Indians were preponderating. So the Railway Board was forced to give one figure so far as the position of Anglo-Indians was concerned. Even up to that year we were nowhere. You know this is a vast continent and in this wonderful country there are 320 millions of people and what sort of people were in this category "Indian" nobody knew. Later on from 1924 onwards, up to 1926, this classification was changed into "Europeans, Anglo-Indians, Muslims and Non-Muslims". Now, Mr. President, I do not know what was the result of thus honouring the Mussalmans by finding a place for them in the Administration Report of the Railway Board. They now give this classification of Europeans, Anglo-Indians, Muslims and Non-Muslims. Now, this is really an enigma to me. I certainly do not know, but other friends will know better, what was the meaning of this division. Up to the year 1926, Mr. President, though Mussalmans got one column, their representation in the so-called Imperial services, the gazetted posts, was *nil*. Later on, from 1926, perhaps as a result of the clamourings, as the Treasury Benches are so apt to call them, again there was a division, and the division ran like this: "Europeans, and Statutory Indians", and under the latter head came Hindus, Mussalmans, Anglo-Indians and others. So on an analysis of this classification of the railway services from the very beginning you will find that only from the year 1924 in their wisdom, Government found a column to show what was the strength of Mussalmans. So far as the railway services are concerned,

you must have heard, Sir, quite often Mr. K. Ahmed and others raising the point on the floor of the House and asking the Treasury Benches whether it was not a fact that Lord Reading or somebody in Belvedere or somewhere made some promises in this direction; and it occurs to me that that might be the genesis, because at the beginning of the second Assembly, so far as our representation in the railway services was concerned, as a result of that perhaps, Mr. President, this one column for the Mussalmans was introduced. And what is their strength there, Sir, so far as the gazetted or the Imperial services are concerned? Sir, there the position has been miserable. Now from 1924 onwards up to now, this classification has been going on—"Europeans and Statutory Indians", and under the latter head comes Hindus, Mussalmans, Anglo-Indians and others. Sir, it will be in the recollection of my Honourable friends here who have been listening to the debates, that many of us on the floor of the House wanted to know the meaning of this enigma "Others", because perhaps the Railway Board, being afraid that a certain class of people might enjoy a bigger percentage or bigger representation in any of these columns, have taken to this camouflage of "Others" and by not bringing out their true colour. I venture to suggest to the Railway Board that they have created many of the suspicions which lurk in the minds of sober-minded citizens. If this column "Others" were explained fully in the Report, Sir, if that had been done, lots of misunderstanding might have been removed. There, in the figures which they have supplied in that pink book, they have a story of two classes of people only. They give figures with regard to the Imperial services, the gazetted posts and what they call the "Upper Subordinate class". This latter class starts on a salary of Rs. 250 and upwards. And of course with regard to the covenanted services, they have got their various grades. While giving figures for the former class of appointments, invariably it would appear from the Memorandum supplied by the Railway Board that those wage-earners who get even six annas a day are also classed here, and in that way perhaps the Mussalmans are shown to have some percentage on paper. I say to the Railway Board, Sir, that that is a very unsatisfactory state of affairs, because if it were possible for the Railway Board to say in their Memorandum, supplied to the Members, the number of people who were drawing certain scales of salaries—for instance it has been stated that they have information with regard to people drawing salaries of less than Rs. 30 a month, those drawing Rs. 30—59 per mensem, those drawing Rs. 60—99, those drawing Rs. 100—249 and those drawing Rs. 250 and upwards—if it was possible, Mr. President, to get these things themselves in their own office, well, it would not have hurt them if they had put them in in their Report. The only conclusion to which I can come therefore with regard to the absence of this description in the Report is this that, perhaps, there could not be any percentage made of people serving in the railways belonging to the Muhammadan community. ("Hear, hear".) That is the only answer which suggests itself to me. Mr. President. Sir, in their memorable Memorandum published for our consideration on page 9, at the top, the Railway Department say: "Comparing the figures of 1929 and 1930, the Mussalman element in the superior grades has fallen by one officer"—because I do not know that it is not possible for the Railway Administration to do jugglery with figures,—and a little further off they have admitted, Mr. President, that in arriving at the percentage of Muhammadan representation, they have counted hundreds of thousands of coolies and other such men who follow the Muhammadan faith! Sir, if this is the state of affairs, I do not know on

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which side to look for help, to the Treasury Benches or to my friends on the right . . .

Mr. S. O. Mitra (Chittagong and Rajshahi Divisions: Non-Muhammadan Rural): Certainly you will get all this put right in time.

Mr. Muhammad Anwar-ul-Azim: Sir, it is a great shame, indeed it reflects a very great discredit on the administration of the Government of India and of the Railway Board in particular that this sorry state of affairs has been allowed to continue right up to 1931. Sir, what is the justification for this meagre representation of our people on this side of the administration? It will be within your knowledge, Sir, that from the very beginning, from the inception of Railway Administration in this country in 1845, four or five railways have been under the direct control and administration of the Government of India, and it does not lie in their mouth to say that the major portion, the larger part, of the railway lines is managed by others. What about these important railway lines which are under your direct administration—the North-Western Railway, the Eastern Bengal Railway and some other railways which have been under your direct control? Sir, the North-Western Railway passes through one of the richest provinces, where the Muhammadan population is more than 56 per cent., and yet the Railway Board come here and tell us that no suitable Muhammadan can be found to fill up the position even of a clerk! Sir, that is an Administration which has been under the direct control of the Government for so many years. Then the Eastern Bengal Railway, Mr. President, you know, passes through the whole of Eastern Bengal and part of Assam; and what is the percentage of Muhammadans there? It will not, Sir, lie in the mouth of the Railway Board to come and blurt out that suitable Muhammadans are not available. Sir, there have been hundreds and thousands of Muhammadans who come out from institutions—first-class people who are fit for any appointment if only that is open to them. So, Sir, if in those Administrations which are under the direct control of Government matters have not proved satisfactory, I am not in a position to blame those Railway Administrations which are managed by others. And of course they could not escape the guilt of not taking our people in sufficient numbers in their services. I have got first-hand information so far as the Assam Bengal Railway is concerned which is a Railway managed by a company. If a Muhammadan graduate is introduced to the Agent, 101 kinds of excuses are hurled at him. It is perhaps natural and I do not blame him. There are lots of obstructions through which he has to pass. If this is the position, how does it lie with the Railway Board to come out with this Blue Book and tell us of so many things which they are going to do and which they could not do for reasons over which they say they have no control?

I will now refer, Sir, to one other aspect of this matter. You will remember that the Railway Board have been in existence, I think since the beginning of 1905. The Railway Board are responsible for all that has happened since then. Here in this Blue Book not finding what to say to the Mussalmans, they have taken shelter behind that blessed body known as the Public Service Commission. But that body is only of recent origin. The Public Service Commission came into being only the other day. What about the recruitment of Mussalmans during those years before the Public Service Commission came into being? What answer can the Railway Board give for this breach of faith, if I may put it mildly, with regard to

our representation in their service? They have been talking from the house-tops about the loyalty of the community and tons of other things we hear in this country so far as the Mussalmans are concerned. Sir, I will read one passage from the book of Lord Ronaldshay. It is a passage which I quoted once before. I will ask Honourable gentlemen of the Railway Board, not to be afraid of past histories and I will submit this for the consideration of the Honourable the Finance Member who is very much afraid of past histories. Because history repeats itself, and if there is no meaning in history, life will be intolerable and there will be no civilisation whatsoever. This is what Lord Ronaldshay said:

"It was from a Muhammadan sovereign that the East India Company acquired their rights in three of the richest provinces of India, and it was a Muhammadan sovereign whose paramount position was recognised by them when they inscribed his name and insignia upon their coins."

I place this before the Treasury Benches. If Jehangir had not allowed facilities to the East India Company, where would your trade be and your factory at Surat and this Eastern Empire?

Mr. C. S. Ranga Iyer: Was there communal representation in the time of Jehangir?

Maulvi Muhammad Yakub: There was very strong communal representation in the time of Jehangir.

Mr. Muhammad Anwar-ul-Azam: Then Lord Ronaldshay continues.

"The Muhammadans, in other words, were the ruling race from whom Mahratta and other Hindu chiefs were proud to accept their titles. Their historical importance cannot, indeed, be gainsaid, and their political importance is equally well founded. No more loyal community is to be found in the Empire today; no community in India has provided more or better fighting material for the forces of the Crown. But beyond all this it must always be borne in mind that the followers of Islam extend far beyond the confines of the Indian Continent. The Muhammadans of India 'are connected by ties of religion, tradition, and race with the whole of Western Asia and Northern Africa, right away to the Atlantic—countries where the prestige of England stands high now, and where England is recognised as the champion of justice and fairplay'."

I make a present of this to my Honourable friends on the Treasury Benches. If there is any meaning in these words "justice and fair-play", may I not ask them how it is that even during the period of the existence of the Railway Board, leaving aside the years before, up to now the Muhammadans have been brought to such a pass? Perhaps the misfortune has been that the Mussalmans have trusted them rather too much. The Marquis of Ronaldshay in another passage says this:

"The numerical test as between Muhammadans and Hindus is not a fair one, for the simple reason that in the census returns immense numbers of people are classed as Hindus who, for electoral purposes, cannot fairly be counted as Hindus at all."

The Railway Board have always tried to class us with the minorities, and if Government, as represented by the Railway Board, were true to their professions, they would not have taken shelter under so many camouflages, if I may say so.

Sir, if one reads carefully these 12 printed pages, it strikes one that perhaps there is an underlying notion that the minority communities, specially the Mussalmans, are inefficient. If anything has been done for the Muhammadans, perhaps that has been done as an act of grace or favour. I most emphatically repudiate the charge that the Muhammadans are inefficient. The Mussalmans could not be inefficient in any way. They ruled this country for more than one thousand years and carried on the administration. One hundred and one kinds of people were pleased to call them even Gods, if I remember history. If this race of people

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could be rulers for more than a thousand years, how could they in the lapse of such a short time, have become inefficient in the eyes of the Treasury Benches? One can hardly find any reason. Sir, as I suggested a little while ago, the remedy is not far to seek. Perhaps the Government of India, represented by the Railway Member, have been sleeping, actually thinking that the Mussalmans are a contented race of people and there will not be any trouble on their side. But I can assure him, within the limits of constitutional agitation, that if the legitimate claims of the Muslims are not respected, they will not keep any thing untried. That is certainly to be harrassing to Government. In the blessed Memorandum they have given us, they have given the percentages. It is very difficult to gauge one's situation by those percentages. Presently I will just show what are really the numbers of people of the various communities in the railway service from year to year. If we start definitely from 1924, the year from which we are given a place in the Railway Administration Report, the figures are like this. On the 1st of April 1924, the total of gazetted ranks, Imperial Service, were 1,888, and they were divided like this: Muslims 44; Anglo-Indians 89; Europeans 1,516; Non-Muslims 245. I do not know what this "non-Muslims" means. They might be anybody. They might be Indian Christians or they might be anybody. But here from an analysis of these figures you can easily understand that perhaps they are afraid of coming out in their true colours as to who these non-Muslims are. Now with regard to the *Upper Subordinate Grade*, that is not far better. There was a total of 7,004, out of which there were 1,584 non-Muslims; 216 Muslims; 2,786 Anglo-Indians, 2,818 Europeans.

On the 1st April 1925 in the *gazetted ranks* the total was 1,931; non-Muslims 283; Muslims 45, Europeans 1,516; Anglo-Indians 87. In the *Upper Subordinate Grade*; Europeans 2,810, non-Muslims 1,822. Muslims 259, Anglo-Indians 2,949. In these two years you will find that the percentage of Muslims is about 2 per cent. in the gazetted ranks and in the subordinate ranks a little over 2.2 per cent.

When we proceed to 1925-26 we find that there were:

Gazetted ranks on 1st April, 1926: European 1,496, Hindus 294, Moslems 56, Anglo-Indians 152, other classes 47. *Upper Subordinates* on 1st April, 1926: Europeans 2,126, Hindus 1,572, Moslems 247, Anglo-Indians 3,809, "others" 419=Total 6,047.

Who are holding a monopoly, Mr. President, one can easily see.

On 1st April, 1927—*Gazetted ranks*: Europeans 1,520, Hindus 342, Moslems 58, Anglo-Indians 169, others 54. In *Upper Subordinate Grades*: Europeans 2,076, Others 476, Hindus 1,693, Moslems 285, Anglo-Indians 3,765.

1st April, 1928—*Gazetted ranks*: Europeans 1,485, Hindus 384, Moslems 65, Anglo-Indians 182, Others 62. *Upper Subordinates*: Europeans 2,042, Hindus 1,919, Moslems 327, Anglo-Indians 3,792, Others 526=Total 8,606. Moslem percentage is 3.51 in 1927 and 3.80 in 1928. This is certainly very bad.

1st April, 1929—*Gazetted ranks*: Europeans 1,469, Hindus 403, Moslems 73, Anglo-Indians 169, Others 69. *Upper Subordinate Grades*: Europeans 2,051, Hindus 2,068, Moslems 360, Anglo-Indians 3,800, Others 662. Total 8,941.

1st April, 1930—Gazetted ranks : Europeans 1,415, Hindus 428, Moslems 71, Anglo-Indians 156, Others 77. The percentage of Moslems in Gazetted ranks in 1929 was 3·4 and in 1930, 3·3 what an increase!! Upper Subordinates : Total 9,252, Europeans 2,005, Hindus 2,260, Moslems 393, Anglo-Indians 3,889, Others 735.

So you will find, Mr. President, that till 1930 the position has not improved at all in spite of so much saying by the Railway Administration that they are so solicitous for us, and especially for the minority communities, though we refuse to be classed as a minority. The Memorandum which has been supplied to us also mentions one important fact from which one can judge that perhaps our case was not of sufficient importance before their eyes to be considered by them. If that is the idea, I do not know what to say to that. Now, one or two words in passing with regard to our position here generally. One feels rather diffident to speak out now-a-days with all the coquetting, flirting and so on with all sorts of ideals around. My friends will remember that as far back as the year 1925 there was a pact with the Leader of the Swaraj Party, the late Desabandhu Das, whom we all liked and whom everybody on my right liked. He was willing to concede to us our demand according to our numerical strength. But they are past stories. Things have been allowed to drag on and they have come to this. Now it might be said that the Mussalmans are very clamorous, but it is not right for us to be told so. I say this to the Railway Administration. It will be a sort of encouragement if they act up to what they have professed to do here in this Blue Book. Of course, the misdeeds of past years might be forgotten and the past may also be conveniently forgotten. But I doubt very much indeed whether the methods and ways they have suggested will bring out anything good. Yesterday one word perhaps slipped from my esteemed friend, Dr. Ziauddin Ahmad, and he complained that some junior members of the Railway Board superseded some senior members. I personally know Mr. P. R. Rau, who has been the Secretary of the Railway Finance Committee. He is a very good gentleman and a very great financier. I am sure my friend, Dr. Ziauddin Ahmad, did not mean any harm to him. He is a very brilliant man. If he got his promotion by dint of merit it is well and good. In this connection I submit for the consideration of the Railway Board that cases of efficiency of popular and tactful officers like Mr. Ghulam Muhammad and others should also be considered. If the Railway Administration is carried on now tactfully, in years to come with the administrative changes we might expect to have very good results. With these few words I commend my motion for the consideration of this House.

Mr. C. S. Ranga Iyer: Sir, I rise, not to oppose the motion, though

I do not support the Honourable gentleman's arguments. I
1 P.M. have already stated, and very clearly stated, that I do not believe in communal representation, including Muslim representation; but if the Government have made up their mind about it, if we are to be faced with a *fait accompli*, I am not one of those who is going to go mad over first principles. In politics we must be prepared for the second best. It is in that light that I approach this motion, and speaking from this side and on behalf of the party to which I have the honour to belong I may say straightaway that the Muhammadans may have all the representation that the Anglo-Indians have in the railways (*An Honourable*

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Member: "Even more.") My friend here belonging to the Independent Party, Mr. Lahiri Chaudhury, says "Even more": I have not the privilege of speaking for the Independent Party, but I understand the spirit in which he puts it. It shows that both the Nationalists and the Independents do not want to stand in the way not only of the Government having given the Muhammadans what they have got, but also in the way of what my Honourable predecessor has put before this House. I have carefully gone through this Muslim representation Memorandum and we cannot improve, so far as the facts and details in regard to it are concerned, upon what the previous speaker has said. Though personally I would have liked to adhere to the original view taken by no less an authority than Sir Abdur Rahim in his Minute to the Report of the Royal Commission on Public Services, the Islington Commission, in which he enunciated two principles, one with regard to the superior services and another with regard to the subordinate services, I am prepared in the light of the Government's taking a step in the direction of Muslim representation, that they should go forward. This is what Sir Abdur Rahim said—(he was then Mr. Abdur Rahim):

"Stress has also been laid on the fact that in the present circumstances of India, when the spread of education amongst the different communities and in different provinces is uneven, the drawback of the competition system is that the successful candidates are likely to be drawn largely, if not entirely, from some particular classes and localities. The fact is not disputed, but it is important to appreciate its proper bearing on the question as it affects the different services. Generally speaking, the principle which has commended itself to me, and which is in accord with practically unanimous opinion of representative Indians of all communities and provinces, is that it is inadvisable as it is unsound and unnecessary to emphasise the question of communal or provincial representation in the superior services. The personnel required for these services must be possessed of the highest qualification available and any narrow contraction of the area of recruitment should be avoided."

That was said years ago. Much water has flown down the Jumna since, and many Muhammadans have qualified themselves and there is a legitimate grievance among the Muhammadans, as there is among the Indians, that the services on the railways are dominated by Anglo-Indians. Sir, the Muslim representation Memorandum that the Honourable the Commerce Member or the Railway Board, whosoever be responsible for it, have communicated to us is, what I may call, very very clumsy camouflage. They have not told us, as they were bound to tell us, how many Anglo-Indians are in the service, how many Muhammadans are in the service. I am not going at present into the question of other communities like the Sikhs or the depressed classes, as I find my friend, Mr. Sant Singh, has given notice of a cut in relation to Sikh representation. But the whole point is this: if the Government want to throw memorandum after memorandum upon us, they ought also to give us the facts about them. For instance, they have prepared a Racial Discrimination Memorandum, making a few quotations from past statements; but they have omitted to include a speech, a really magnificent speech, though I was not quite in agreement with him at the time, made by Mr. Fazl Rahimtulla on Muslim representation in connection with Indianisation. All these important logical statements have been omitted: they have just made a hotch potch preparation of a memorandum containing certain statements by certain people, and if you carefully look through the Memorandum yourself, you will find that it is prepared by a third rate publicity officer

of the Railway Department. Whatever that may be, it was their business to tell us very clearly how many Anglo-Indians there are and how many Europeans there are who are getting, say, more than Rs. 1,000 a month; and how many Europeans and Anglo-Indians get more than Rs. 250 a month; and how many get more than Rs. 100 a month. Then we can know whether really it is dominated by Anglo-Indians and Europeans or not.

In another memorandum, which I do not wish to refer to in more detail now, I mean the Memorandum on Racial discrimination, they are simply trying to throw a mask over the whole thing by describing them as statutory Indians. My objection there too is that they are not giving any facts or details in regard to the communities. If the Government have committed the country through their action to communal representation, they ought to be fair and square about the whole business. They ought not to be so niggardly in their attitude: they ought not to create an atmosphere of suspicion or anything of the kind. The perfectly frank thing for the Government to do if they mean communal representation, as they no doubt mean it, is to place before us all the facts; and if they prepare any memoranda in future; and I think they will have to prepare memoranda, because now that the Government have committed the people of this country through their action to communal representation and now that educated people in India among the Muhammadans and also among the Hindus are clamouring for posts, they will have to give us information as to how much the railways are dominated by Anglo-Indians. At present possibly 75 per cent. of the superior officers are Europeans or Anglo-Indians. In the Railway Board, for instance, there is no Muslim representation, and I do not see why the Memorandum should have omitted any statement in regard to that fact. Are the Government of the opinion that there are no Muhammadans living in the country who are fit to be Members of the Railway Board? The Railway Board at present has only representation of a statutory Indian. I am not for a moment questioning his ability, for the very simple reason that when the House was enraged with that Department, I, from the no-man's land where I was staying when I was ploughing a lonely furrow in politics both in this House and outside, voted for the additional appointment on the ground that I do not at any rate want to vote for racialism. But how many Muhammadans are there in the Railway Board? Are not the Muhammadans entitled to some share? My friend over there was very modest; I do not think he wanted to go so far as certain others wanted him to go; but if there is to be communal representation, if there is to be Muslim representation, what the Government have to do is one practical thing. I believe an attempt was made to dig up the Bengal pact with regard to communal representation at a certain time. With reference to the complaint from the Muslims in Bengal, a suggestion was made and perhaps it was adopted, that there should be for a certain period a stoppage of recruitment from the predominant community to the services, until the minority community was able to secure this percentage. If, therefore, the Government are honest, they ought to follow up their Memorandum by a declaration of a stoppage of all European and Anglo-Indian recruitment to the railway services until and unless all the minorities, including Muslims, have had their chance first, and secondly the majorities; and after that representation is so classed, then I say that they may throw memorandum after memorandum upon us, not with a view to mislead

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us, not with a view to hoodwink us, not with a view to side-track the issue, but to meet the grievances which they pretend they are anxious to meet.

Mr. President: I think it will be best to adjourn for Lunch now and resume the debate afterwards.

The Assembly then adjourned for Lunch till a Quarter Past Two of the Clock.

The Assembly re-assembled after Lunch at a Quarter Past Two of the Clock, Mr. President in the Chair.

Maulvi Muhammad Yakub: Sir, in supporting the motion which has been proposed by my friend, Mr. Anwar-ul-Azim, I will not traverse the ground which he has already covered, nor do I want to go into the facts and figures which he has quoted. I shall merely content myself with repeating what the Honourable the Railway Member himself admitted in his speech when he said that "Adequate steps have not yet been taken to give effect to the policy of the Government of India and that further measures are necessary and must be introduced at a very early date." I will add nothing to what the Honourable Sir George Rainy has said, and I hope and trust that adequate steps will be taken at a very early date. I understand that the Railway Board have accepted one of the suggestions which I made to them the other day, that two Muslim officers not below the rank of a Divisional Superintendent should be placed on special duty, for not less than five years, to make inspection of offices and supervise the recruitment. I hope and trust that these two officers will be men of experience and men in whom Mussalmans will have confidence. I also hope and trust that their term of office will not be less than five years, because a huge problem like the representation of Muslims in a huge service like the Railway service cannot be finished in one or two years. The other day, Mr. Hayman himself told us that he had been a Member of the Railway Board now for about two years, and still he has not yet been able to go through all the files and handle the situation. If it has taken Mr. Hayman two years to go through the files and handle the situation, I think these two special officers will not be able to do anything unless they are given a lease of life of at least five years.

Then I would suggest that the supervision of these two officers should not be confined only to the Traffic Branch of the Railway Administration or to the offices of the Divisional Superintendents and the Agents, but their supervision should be extended to the Finance Departments also, including the Railway Clearing Accounts Office, of which the renowned head is Lala Faqir Chand. I hope, Sir, that the supervision of these two special officers will extend to this Department also.

Then I hope and trust that the Government will see their way to accept my other recommendations, and I would repeat them on the floor of the House to extract a categorical reply from the Honourable the Railway Member on the floor of the House. My first recommendation is, and that, I think, is the most important one, that the term "minority community" be definitely abandoned, and that the representation of Mussalmans should be treated separately from the other minorities in India. What I mean to say is that Mussalmans have immensely suffered on account of their being placed in the same level as the other small minorities in the country. Supposing there are three

vacancies, reserved for minority communities, mostly it happens, if it is in the Department, say of my friend Mr. Shillidy, one of the vacancies will go to a Sikh, the other will go to an Indian Christian, and the third to a member of the community of my friend, Colonel Gidney, and then it will be said that they have complied with the provisions of the Government communiqué, there were three appointments and the minority community has been provided for and that no suitable Mussalman candidate was available and so forth. But even if consideration is given to the case of Mussalmans, then out of the three vacancies, one of them would have been given to a Muslim candidate. That would mean that from one-third the Mussalman representation is reduced to one-ninth. So I submit that it is absurd to include the Mussalmans in the same category as the other minority communities, and as I have said in this House several times, which I would repeat again and again, we might be smaller in numbers as compared to the other communities in India, but we are a community consisting of seven crores, with a historical record behind us, and as such we cannot be treated as a small minority community. Therefore I say that this absurd term "minority community" should not be applied to Mussalmans in future. They should be treated according to their own status and as a separate community.

Sardar Sant Singh: Certainly as a majority, provided you qualify yourself.

Maulvi Muhammad Yakub: Then you are likely to be out of jobs. Of course, we do not want to be bats like the Sikhs who, when it comes to a question of census, say that they should be included among the Hindus. They are both a bird as well as a beast, but when it comes to separate representation, they say they are a separate community and they do not want to be included among the Hindus. Sir, we do not want to be included among the other minority communities; we want to keep our Mussalman community as a separate entity as Mussalmans and nothing else.

My second suggestion was that the reservation of one-third appointments for Mussalmans should be so arranged that their percentage should be fixed higher in those provinces in which they are numerically larger and educationally superior. For instance, the Punjab, Bengal and the United Provinces should be able to contribute a larger quota than other provinces. What I mean to say is, that in distributing this one-third number among the Mussalmans, it should be so arranged that a larger number should be allotted to the provinces in which the Mussalmans are larger in population or educationally stronger. For instance, the Punjab can supply any number of educated Mussalmans. With regard to the U. P. although we are not in a majority there, still educationally we, I think, are quite strong and we can supply quite a large number of young men possessing the requisite qualifications for any posts that are required for the railway services. If you give an equal number to Madras and Bombay and the C. P., naturally you cannot find a sufficient number of capable Mussalmans in those Provinces and then you will say that capable Mussalmans are not available there.

Another suggestion of mine was that at least two Mussalmans of proved merit and strong character should be appointed as Deputy Agents on State-managed railways like the N. W. R. and the E. I. R. I think, Sir, this is very important, because although there will be two special officers, they cannot all the time remain in the office. Of course they will be travelling

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throughout the whole country, but there should be a sympathetic head in the Department, without which no justice can be expected. Therefore, I submit that two Muslim Deputy Agents should be appointed.

Another suggestion of mine is that efforts should be made to place Muslims in the posts of Office Superintendents and Head Clerks in the offices of the Divisional Superintendents as far as possible. I can not lay too much stress on this point. I have already explained it to Mr. Hayman, and I submit that, Muslims can never get their proper representation in the lower grades of service, unless you put Muslims as the heads of the offices. It is impossible to do anything unless you accept this suggestion of mine.

Then, Sir, I would draw attention to another valuable suggestion which was made by my friend the Honourable Mr. Husain Imam of the Council of State, that provincial Muslim Committees with each Railway Administration should be appointed to assist them in protecting the interests of the Muslim community in matters of recruitment and promotion. I think that this is a very valuable suggestion and there is no reason why the Railway Board should not agree to it. Just as they have their Railway Advisory Councils, which, however, never meet, in the same way they should appoint these provincial Muslim Committees with each Railway, who would assist the Divisional Superintendents and other officers in advertising for the posts, and who would sit with the Selection Boards at the time of making selections and see that no injustice is done to the Muslims when the Selection Boards make their selections. These are the only important points to which I wanted to draw the attention of the Railway Board.

But, Sir, before I conclude, I would like to refer to the two speeches which my Honourable friend, Mr. Ranga Iyer, has made on this subject. In his speech which he made the other day, he accused the Honourable the Railway Member of inaugurating communal representation in the services. I say that it is not the Honourable Sir George Rainy who wanted to inaugurate it, but it is our friend, Mr. Ranga Iyer, who, by making the speech which he did, wanted to perpetuate communal representation in the services. Probably, my Honourable friend did not realise the magnitude of the mischief which he committed that day by making the speech which he did. Several Muslim friends of mine came to me. They were very much agitated and they said, "Now we are on the threshold of Swaraj, and with such a speech what would be our fate at the hands of the majority community?" They told me that the fear of the Muslims that their interests would be swallowed by the majority community was not baseless, if people had such a mentality as was shown by my Honourable friend, Mr. Ranga Iyer. I told them, "Don't be agitated. Don't take Mr. Ranga Iyer seriously. I know him very well". I said, "He is a weather cock. He changes with every season. I remember him very well when in 1924 he entered this Assembly and everybody thought that a wild animal had come from the wilderness of the Himalayas. In those days he was a staunch supporter of our late lamented leader Pandit Motilal Nehru. But after two years or three years, when he was flying on the wings of a certain deposed Maharaja, what do we find? Mr. Ranga Iyer filing a suit against that very revered leader in the Madras High Court. Would you believe such a man? What is his character?"

Mr. C. S. Ranga Iyer: On a point of order, Sir. The last statement that the Honourable gentleman has made is a damnable lie.

Mr. President: Order, order. I hope that Honourable Members will not give expression to such a language in this House.

(Cries of "Withdraw, withdraw".)

Mr. C. S. Ranga Iyer: I shall withdraw if the Honourable gentleman withdraws his last sentence which is not true.

Maulvi Muhammad Yakub: I will withdraw any statement if it were a lie, if my Honourable friend will point out to me which sentence that I have used is a lie.

Mr. C. S. Ranga Iyer: I do not want to repeat it. The last sentence of his last statement is not correct. I hope he will withdraw that statement because I do not call him a liar.

Mr. K. Ahmed (Rajshahi Division: Muhammadan Rural): What is that statement?

Maulvi Muhammad Yakub: I would like to know what is that statement.

The Honourable Sir George Rainy (Member for Commerce and Railways): May I appeal to the Honourable Mr. Ranga Iyer purely on the question of respect to the Chair. . . (The rest of the sentence was drowned in the cries of "Withdraw, withdraw" from some Honourable Members.)

Mr. C. S. Ranga Iyer: Yes, I withdraw.

Maulvi Muhammad Yakub: I should be very sorry if I have used any sentence which is incorrect, and if my Honourable friend will point it out to me, I should be the first to withdraw.

Mr. C. S. Ranga Iyer: In the last sentence he mentioned one deposed Maharaja, a departed Leader and a libel suit. Both those statements convey an insinuation which has no foundation in fact, which is absolutely untrue, and which is unworthy of the man who made it.

Maulvi Muhammad Yakub: My statement only was that my Honourable friend, Mr. Ranga Iyer, filed a suit in Madras against the late lamented Pandit Motilal Nehru, and I hope that that statement is not incorrect.

Mr. C. S. Ranga Iyer: Sir, the statement that he made was that I was associated with a particular Maharaja and that I filed a suit. The facts of the case are that, when Pandit Motilal Nehru purchased a particular newspaper and when the proprietorship of that particular newspaper changed, when the brother of a particular Maharaja had shares in it, I resigned the editorship of that paper because I had to fight my election and could not carry on the late Pandit's election propaganda from the editorial chair. And, therefore, the Honourable gentleman was grossly misrepresenting me and indulging in an insinuation like a "wild animal" that he is. (Laughter.)

Mr. President: I do not think such language is befitting the House. It may be perfectly parliamentary, but I do not think that it shows good taste.



Mr. C. S. Ranga Iyer: I quite agree with you. I used those words, wild animal, in quotations because he called me a wild animal. (Laughter.)

Mr. President: I am not raising that question. I trust that Honourable Members in taking part in this debate will bear in mind the dignity and the good name of the Assembly.

Maulvi Muhammad Yakub: It is my misfortune or good fortune—I do not know what it is—that I come from the same constituency to which my Honourable friend, Mr. Ranga Iyer, belongs, and if that constituency produces only wild animals (Laughter), I think I will have to submit to what he says. We finish with that incident of our friend, Mr. Ranga Iyer. I told my friends. “Don’t take him seriously. It was only in my own town, Moradabad, in 1926 that he was addressing a public meeting which was presided over by the late Pandit Motilal Nehru, and in that meeting he was opposing the communalism of our esteemed leader, Pandit Madan Mohan Malaviya. There was an uproar of opposition against him. The people were so much enraged at his conduct in that meeting that it was very difficult to bring him out of that meeting. And today what do we find?”

Mr. C. S. Ranga Iyer: That statement is again untrue. I won the election against Malaviyaji and Lala Lajpat Rai in spite of their combined opposition.

Mr. President: May I ask Maulvi Muhammad Yakub to leave that subject alone and to concentrate on the issue that is before the House now? These personal remarks do not add to the dignity of the House.

Maulvi Muhammad Yakub: I bow to your ruling, Sir, and I leave it at that, and I hope that my Muslim friends who were agitated by the speech of my Honourable friend, Mr. Ranga Iyer, made the other day, will not take him seriously. Today, of course, he tried to make amends for that. . . .

Mr. C. S. Ranga Iyer: I was making no amends whatever. I was faced with a *fait accompli*. . . .

Mr. President: I wish the Honourable Member (Maulvi Muhammad Yakub) to deal with the issue before the House. The kind of exchange of remarks which we have had till now are very undesirable. The Honourable Member may continue to express all that he has got to say on the motion before the House.

Maulvi Muhammad Yakub: Then I finish. I leave my Honourable friend Mr. Ranga Iyer because the less said about him the better.

Dr. A. Suhrawardy (Burdwan and Presidency Divisions: Muhammadan Rural): I regret the breeze which has ruffled the even tenor of the debate, and the passage-at-arms between the non-Muhammadan representative of Kumaon and the Muhammadan representative of the same constituency. I am afraid I have lost the thread of my arguments. (An Honourable Member: “Then sit down.”) I am, however, relieved by the fact that the Honourable the Mover of the motion, Mr. Anwar-ul-Azim, and the other speakers who followed him have dealt with the question of Moslem representation so exhaustively of the necessity of dwelling at any length on the subject. My task is also considerably lightened by the fact that I noticed this morning, in the speech of my friend, Mr. Ranga Iyer, a

change in the angle of his vision and it has resulted in his discovery today that the fourth face of the Railway Member, in which he saw some resemblance to the Hindu God Brahma, was nothing but a camouflage or a mask of communal sympathy. Mr. Ranga Iyer has abnormal psychic powers. He may sometimes discover the face of a God and sometimes the mask of a camouflage, but the only face which we people who are endowed with ordinary faculties of vision notice in this House during the railway debate is the old familiar face of my friend, Mr. Hayman, the old smiling sweet face which generally manages to carry the House against us. I am also glad that my friend, Mr. Ranga Iyer, now realises that the policy of Muslim representation is a second principle, which is the logical outcome of the first principle of Indianisation. Sir, I do not propose to detain the House long. I will simply place before it a few facts and figures in the hope and belief that the cold logic of facts and figures will calm and allay the apprehensions of those who imagine that any increase in the representation of Muslims would constitute a menace to the monopoly of vested interests. Sir, before I do so I shall quote for the benefit of new Members a passage during the debate last year in which my friend, Mr. Hayman, gave a solemn undertaking that he would do his level best for advancing the cause of Muslim representation. He said, before concluding his reply to the debate:

"I am still not satisfied with the representation which the Muslims have in the upper subordinate posts on our railways. But I give my solemn undertaking that I have this question at heart and I will push it forward with all the energy that I can command. I will be the driving force in this question."

Now, let us examine the facts and figures and see what the result of the application of his energy and his driving force has been. I had a statement prepared and I find on comparison that the figures are as follows:

In 1929, the total number of Statutory Indians of gazetted rank on Class I Railways was 710, which included 399 Hindus, 73 Muslims, 169 Anglo-Indians and 69 other classes. In 1930, this number increased by 22, i.e., the total was 732. Out of this number the Hindus were 428, an increase of 29, Muslims 71, a decrease of 2, Anglo-Indians 156, a decrease of 13, and other classes 77, an increase of 8. In the subordinate service among employees drawing Rs. 250 and above the total number of Statutory Indians in 1929 was 6,963, out of which Hindus were 2,107, Muslims 368, Anglo-Indians 3,814 and other classes 674. In 1930, the total was 7,277, an increase of 314, which included 2,260 Hindus, an increase of 153, Muslims 393, an increase of 25, Anglo-Indians 3,889, an increase of 75 and other classes 735, an increase of 61. So, in the former the percentage of Muslims has gone down from 3.4 per cent. to 3.3 per cent., whereas in the latter they have increased from 4.1 per cent. to 4.2 per cent. Now, dealing with the appointments made in the gazetted rank of officers shown on page 54 of Vol. I of the Railway Board's Report, we find that the total number of permanent vacancies actually filled during the year on State Railways was 41. Out of this Europeans were 12, Hindus 19, Muslims 4, Anglo-Indians 3 and other classes 3. On the Company-managed Railways, the total number of appointments in the same rank was 59. This included Europeans 30, Hindus 22, Muslims Nil, Anglo-Indians 4 and other classes 3. It means that out of 100 permanent appointments of gazetted rank on both State and company-managed railways only four were Muslims.

[Dr. A. Suhrawardy.]

Now, coming to the statement of the number of servants of all races employed on each railway system including coolies, sweepers and scavengers we find the following results. In 1928-29, the total number of Muslims was 7,746. In 1929-30, it was 7,281. This was in the B. N. Railway. In the E. B. Railway in 1928-29, it was 17,336 and in 1929-30 it was 14,856. In the E. I. R., in 1928-29 it was 31,513 and in 1929-30 it was 30,970. In the S. I. R. it was 2,116 in 1928-29 and 2,219 in 1929-30. In the B. L. R., it was 226 in 1928-29 and 190 in 1929-30. In the Bhavnagar State Railway, it was 250 in 1928-29 and 242 in 1929-30.

Then we find that on the B. N. Railway the total decrease in the staff has been 384, but the number of Muslims has gone down by 465.

On the E. B. Railway there was a decrease of 2,692 which was all made up from the Muslims. On the E. I. Railway, though there was an increase of 1,749, the number of Muslims decreased by 543. On the South Indian Railway, out of the total increase of 2,468 the Muslims increased only by 103. On the B. L. Railway there was an increase of 88 but the Muslims decreased by 8.

Now, Sir, turning to the Memorandum on the representation of Muslims in the Railway services, what do we find? We find a most disappointing document which discloses a story of broken promises, unredeemed pledges, pious hopes, benevolent intentions, infructuous efforts and frustrated endeavours of the Members of the Railway Board. We find of course traces of the instructions they have issued to the Agents of the Railways and the circulars they have issued. But their instructions remain dead letters and their circulars are treated as mere scraps of paper. We find that large promises are made to be immediately followed by smooth excuses. I have already quoted figures from which it must have been noticed that, in spite of the driving force of my friend, Mr. Hayman, which is well nigh exhausted, the Mussalmans remain and stand where they stood. I will quote a few passages for the benefit of the Honourable Members as some of them may not have had the time to read them. I find it stated on page 6 of the Memorandum:

"In the course of the debate on the Railway Budget last year Mr. Hayman observed that he intended to have a proper proportion of Muslims as Staff Officers as quickly as possible."

Then in the next paragraph we find this:

"The Railway Board regret that owing to the unavoidable delay which has occurred in giving effect to the reorganisation of superior cadres, it has not been possible to take any further steps in this direction."

Then we find on page 8 "The proportion is meagre!" After giving the figures which I need not repeat we have the following remark:

"The proportion is meagre, but improvements may be expected."

So we have only expectations and hopes. Then again after the presentation of certain figures we have got the statement:

"The progress is manifestly slow, due to the following causes."

Then the causes are enumerated.

Then again we have the final paragraph, paragraph 25:

"The statements received in response to this request do not reveal an appreciable increase in the Moslem element in the higher-paid group."

And so the Report goes on till it comes to the conclusion where it is said that, "It is hoped that this Memorandum will bear some testimony to the efforts made by the Railway Board, more particularly during the last two years." No doubt this Memorandum bears some testimony to the efforts made, but what, alas, is the testimony as to the results of those efforts which I have described as infructuous and frustrated endeavours? Now the House will realise that we have got just cause for wonder as to when at this snail's pace of progress—and in some cases there has been a progressive decrease—the goal intended by my Honourable friend, Mr. Hayman, will be reached. The other day the question was asked as to whether it would take 500 years to reach the goal of Muslim representation or not. I do not know whether my Honourable friend, Dr. Ziauddin Ahmad, will oblige us by calculating whether, at the pace revealed in this document, it would take 500 or 5,000 years to reach the goal. No calculation, however, is necessary to predict that before that goal is reached, well, we will all be overtaken by the Millennium, the coming shadow of which seems to threaten, to shatter the four-headed gods of the Railway Board and their eight hands and to paralyse their activities. Now this Memorandum has also got at the end, a copy of the proceedings of a meeting between Sir George Rainy and the deputation of Muslim Members of the Legislative Assembly and the Council of State. Sir, I should have thought that in these days the days of deputation were over and the age of dictatorship had begun. I should have thought that my friends, the Muslim members of the deputation, had been cured of this weakness of their own, but they still have this pathetic faith in deputations which by force of habit seems to be a regular prelude to the railway debate. I find that the deputation opens with thanks to the Railway Member, and ends with thanks—and I find two members also expressing their indebtedness and thanks to the Railway Member. I wonder whether, because of the supposed four faces of the Railway gods, these quadrupled thanks have been mentioned in the proceedings (Laughter). Anyway, it has served some useful purpose beyond the exchange of compliments and thanks, because I find there many useful suggestions discussed, and also the admission of Mr. Hayman in one passage as to the justice of the Muslim cause. On page 25 I find it stated:

"Mr. Hayman was of opinion that more should have been done and he felt that by the issue of the revised rules already referred to it would be possible to take a definite step forward to redress many of the complaints made, *some of which he felt were true, of the unjust treatment of Muslim candidates for employment.*"

And also at page 27 I find the substance of Sir George Rainy's remarks:

"He agreed with what Mr. Hayman had said and would not cover the same ground. He would first like to say that he had read the Memorandum drawn up by the Railway Board *with disappointment*, for although he was convinced that the Railway Board had done all that was possible, the Railway Administrations themselves had not given practical effect in anything like a satisfactory degree to the wishes of the Government of India and of the Railway Board."

That, Sir, is exactly the feeling of Mussalmans. But what we cannot understand is the helplessness of these four-headed gods of the Railway Department who seem to be all-powerful when other people are concerned, but who seem to be helpless when it is a question of Muslim representation. Sir, when Mr. Hayman feels disappointed and the Honourable the Railway Member expresses his disappointment, it is no wonder that the Muslim dupes of yesterday should feel disappointed, keenly disappointed and refuse to be the dupes of tomorrow.

[Dr. A. Suhrawardy.]

Before I conclude, I should like to draw the attention of the House, and would specially invite the attention of the Honourable the Railway Member and of the Members of the Railway Board to two instances of ill-treatment of Muslim candidates which have come to my own personal knowledge. It is generally said that they cannot find qualified Muslims coming forward for appointments in the lower grades. Sir, this is a myth. Only the other day a few vacancies had occurred in Iraq and the Agent of the North Western Railway advertised for a few appointments to be filled in Iraq. Within a week the office was flooded with thousands of applicants—and the applicants were confined to Muslims as Iraq is a Muslim country—so much so that the Agent had to issue orders that no further applications would be received. Well, this is second-hand information, but I may now go on to refer to two cases which are within my own personal knowledge. The Agent of the Eastern Bengal Railway, which traverses Western and Eastern Bengal with a predominantly Muslim population, had written in reply to the inquiries made by Mr. Hayman in a passage quoted by Mr. Hayman during the last debate :

“We have difficulty in getting first-class apprentices and train examiners who are Muhammadan. I may say that while I have many letters from Hindu gentlemen asking for jobs for their relatives I have not had one single letter from a Muhammadan—a direct application to myself I mean.”

I do not know what this soft impeachment means, for we Muslims have not as yet cultivated the virtue of nepotism. Any way after reading that passage I summoned up courage and I personally interviewed the Agent of the Eastern Bengal Railway on behalf of a highly-qualified Muslim graduate, a graduate in mathematics, a member of a historic family, and I drew the personal attention of the Agent to his application for a post. I must say that the Agent gave me a most patient and sympathetic hearing. His application was sent to the Selection Board on which there was not a single Muslim. He however ran successfully the gauntlet of the Selection Board and survived its ordeal, and he was summoned by means of a letter to appear before a certain official of the Eastern Bengal Railway. For days he had to dance attendance at the office waiting for an interview. He was driven from pillar to post and from post to pillar and he could hardly get an interview with the great man. At last on a lucky day before Christmas or shortly after the New Year's day—I do not remember exactly which—this gentleman granted him an interview and he told him that he was too late and that he had given the appointment to another Muslim. On inquiry I found out the name of this Muhammadan gentleman. The name of the Muhammadan to whom the appointment was given was Mr. Khosla. I for the life of me never thought that Khosla could be the name of a Muslim, although of course to a certain extent I now hesitate to make that statement because I find that in the Assembly itself there is an Honourable Member of the name of Naharsingji Ishwarsingji, who is a devout Muslim. Anyway I pursued my inquiry further and I discovered that this Mr. Khosla is related to a certain Mr. Singh who holds a high appointment in the Eastern Bengal Railway office. Therefore it could not be a mistake. If the Special Marriage Bill of my friend, Sir Hari Singh Gour, had not met with an ignominious fate the other day, and if such a thing had been possible, a relation by marriage of Mr. Singh might be a Mussalman. Now, this is adding insult to injury. This young man is no other person than a close relation, a first cousin, of the Nawab Bahadur

of Murshidabad, and a graduate in mathematics of the Calcutta University. After this experience of insult being added to injury I can sympathise with the feelings of my Honourable friend, Mr. Amar Nath Dutt, who more than once exclaimed in this House that Bengal has to expiate for the sins of Plassey. Surely the descendants of Mir Jafar and the Mussalman community have yet to atone for the sins of Plassey. In that passage to which I referred just now I find a remark that,—

“The Chief Medical Officer of the Eastern Bengal Railway who is a Muslim had the greatest difficulty in finding one Muslim Assistant Surgeon to accept appointment on the Railway.”

For the life of me I cannot understand the meaning of this passage either, because I am daily and weekly being besieged by highly qualified medical graduates of the Calcutta University. The second case to which I wish to draw attention is the case of a medical graduate who had appeared before the Selection Board appointed by Government and who had been selected for appointment as Assistant Surgeon by the Government of Bengal, but unfortunately on account of financial stringency, as his name stands third on the list—the first two have been appointed—his name is still on the waiting list. A vacancy has occurred on the Eastern Bengal Railway or a new post has been created, I cannot be quite sure of that. Anyway the Eastern Bengal Railway advertised for a qualified medical graduate. Many applications were sent by qualified Muslim candidates. This Muslim candidate—the Bengal Muslim I have in view—was an applicant. There were highly qualified Bachelors in Surgery and Medicine from the province of Bihar as well as from the Punjab. The Selection Board sat, and as usual it had no Muslim on it. They selected certain names, but not the names of the Muslims who were excluded. I am glad, however, to state that, on representation being made to the Agent, the matter is receiving further consideration. All the applications, so far as my information goes, have now been sent to the Principal of the Medical College of Calcutta who is not a Muslim gentleman—I need not say that—for him to make a selection. We are awaiting the result of that selection. I daresay the Principal of the Medical College would select a Muslim for the simple reason that he was a member of the Selection Board which selected three Muslims for appointment by the Government of Bengal, and amongst the applicants for the post in the Eastern Bengal Railway are Muslim graduates in Medicine and Surgery who have been considered fit and qualified for posts by the Selection Board of the Government of Bengal. If a Mussalman is selected by the Principal of the Medical College that would strengthen our case for the appointment of a Muslim on the Railway Selection Boards. When highly qualified Muslims are available they are excluded for one reason or the other and the blame is thrown on the community or the individual. In conclusion I have to make an appeal to my friends on my right. We Muslims are in a minority. Those who are in a minority alone know what it is to be in a minority. We are between the devil and the deep sea, the Government on the one hand and my friends to my right on the other.

Mr. B. Das: Don't include me. (Laughter.)

Dr. A. Suhrawardy: There are honourable exceptions, and I hope that in this question they will apply their mind not to the personalities
 3 P.M. or to the personal or communal issues but to the principle and vote in support of the motion which has been so ably and eloquently moved by my Honourable friend from Chittagong.

Mr. A. M. Hayman (Government of India: Nominated Official): Sir, Honourable Members on the other side of the House, who spoke on this question, have divided their remarks into two broad categories, namely, one part which touches broader questions of policy and the other which deals with facts, and particularly the facts as relating to the period since I last dealt with this subject in this House. Sir, I do not propose to say anything on the broader questions of policy,—these will be dealt with by my Honourable friend, Sir George Rainy. But I do wish to place before the House facts and figures to enable the House, to arrive at a proper appreciation of the situation. I will begin, Sir, by thanking my Honourable friend, Mr. Anwar-ul-Azim, for the moderation with which he presented the case of the Mussalmans. To begin with, he was dissatisfied with the position. Every one of the other Muslim Members, who has spoken on the subject, is dissatisfied with the present position. I am even dissatisfied, and I am dissatisfied because the figures show that in the superior services and in the upper subordinate services the Muslims are very inadequately represented; and I think, Sir, it is the duty of Government to see that the declared policy is given effect to and it is the duty also of the Railway Board, to see that nothing is omitted to be done to give the Muslims proper and adequate representation in consonance with the declared policy.

Sir, when I last spoke in this House on the subject last year, I did use some words which may be described as strong language. My only excuse for doing so was that I meant it, and all through the year I have been hammering at this question, with a view primarily to find out what are the real facts. Now, I put it to Honourable Members of the House that it is very necessary, in dealing with this subject as well as with any other subject, to deal with it in such a way that, while we endeavour to give the Mussalmans adequate representation, we do nothing unjust to other communities. Therefore, Sir, it was necessary for me, in the first place, to find out all the necessary facts.

Maulvi Muhammad Yakub: But what have you done since last year? You have broken the ribs of the question by hammering and hammering.

Mr. A. M. Hayman: I hope, Sir, when I have proceeded a little further with my speech, I shall have given a reply to my Honourable friend, Maulvi Muhammad Yakub. Now, Sir, I want to explain that the organisation of the Railway Department at the headquarters is such that we cannot get without enquiry, detailed facts and figures relating to each office of our vast railway organisation. It is therefore necessary for us either to call for information from the Railway Administrations when we want information in greater detail than we have, or to send our own officers out to collect what we want. One of the first things that I did soon after I made that speech last year, was to get two or three of my officers working under me to go out and get all the facts that I wanted for a proper consideration of this question and also to investigate certain allegations that had been made in certain Muslim papers, and which had been brought to the notice of Government by Muslim representatives in this House. Now, Sir, I only wish to put this point to this House, that in sending one of my officers away from time to time to get figures from one of our biggest Administrations, the N. W. Railway, I had to do his work in addition and thus contribute in this way to the speedy investigation of the question.

That was at least one of the contributions that I made in my earnestness to bring this question of Muslim representation to that stage where you can pass to the next stage and take definite action.

Now, Sir, I quite agree with the Muslim representatives of this House who are dissatisfied with the figures of the past; but I want the House clearly to realise certain important aspects of the question. There are three features of this question. The first, the recruitment to the superior services; the second is getting a larger number of Muslims into the upper subordinate grades; and the third is the recruitment to the lower rungs of the ladder. Now in respect to the recruitment to the superior services; what is the position during the year 1929-30? The position is, Sir, that we took on into our service every Muslim that was qualified in accordance with our recruitment rules. In one particular service the Indian Railway Service of Engineers there was no qualified Muslim. Nobody regretted that more than the Government, and we attempted to find a means by which we could at least take one or two Muslims in and among our temporary engineers we found a qualified Muslim and we appointed him. May I repeat that fact again that every qualified Muslim according to our rules was during the year 1929-30 taken into our superior service in accordance with our recruitment rules, and we also made a special appointment to the Engineering Service because no Muslim was among the best of candidates who qualified at the competitive examination.

Mr. B. Sitaramaraju: Did you advertise?

Mr. A. M. Hayman: The Public Service Commission make these appointments for us and I am quite sure that they have done all that is necessary in this respect. Now, Sir, I must however say that I was also disappointed in another matter which affected our superior service. As the Honourable Sir George Rainy stated the other day, we went out of our way to get Indians, even though they were not fully qualified at that time, into our Transportation, Power and Mechanical Engineering Departments in order not only to get Indians into that Department but to help to work up to 75 per cent. recruitment of Indians. Unhappily there was not one single Muhammadan among the candidates recommended by the Public Service Commission. The position this year, however, is a little different. We have had the recommendations from the High Commissioner and he has recommended two candidates definitely one of whom is a Muslim and we have telegraphed that he should be appointed. The recommendation of the Public Service Commission, we have not yet had, but I do hope that they will be able to find some qualified Muslims for these important branches of the service.

I pass on to the upper subordinate service. Here I quite realise that the Muslim representatives of this House are keenly disappointed at the low figure, just over 4 per cent., which the Muslims occupy in the upper subordinate service.

(At this stage Mr. President vacated the Chair, which was taken by Mr. Deputy President.)

But, Sir, the Railway Board is confronted with a very serious difficulty when it faces this question. The difficulty is just this. The posts in our upper subordinate service are filled by promotion from the grades next

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below, and since the grades next below are at the moment held in a majority by members of other communities, it follows that it is very difficult to increase the number in the upper subordinate grades rapidly by Muslims unless one makes unmerited supersessions. That, Sir, the Railway Board are not prepared to do. But the Railway Board are not prepared to set aside this question entirely and to say, "Well, because we cannot make these unmerited supersessions, the Muslims must wait until the posts can be gradually filled in the ordinary way". We have under consideration a proposal which was put before us by one of the members of the Muslim deputation that waited on my Honourable friend, Sir George Rainy, which proposal reflects in a way what we ourselves thought of doing when we recently drafted recruitment rules for our subordinate service. It is just this, that we ought to take in, in some of the intermediate grades educated young men by direct appointment to those grades. That seems to offer a possible solution, but the question has not yet been fully thrashed out whether that expedient could be taken without leading to injustice to other communities. But it is a definite suggestion, Sir, which we are at present considering and on which we shall take a decision very quickly.

Mr. K. Ahmed: What about the false name of Khosla that he was a Muhammadan?

Mr. A. M. Hayman: Sir, I think I owe it to my Honourable friend, Maulvi Muhammad Yakub, to say a few words about the definite suggestions which he put before the Honourable Sir George Rainy when the latter met the deputation a few days ago. Let me say, Sir, that this is what we really want. We want definite suggestions which will help us to secure what we have in view and I have personally, Sir, considered these suggestions and will, soon after the Budget is over, when my Honourable friend, Mr. Parsons, is less engaged, put forward for final consideration by the Railway Board and Government these suggestions and the other suggestions that have been made by speakers in this House, and I hope also other suggestions that will be made when the deputation sends a reply as it stated it would at the time the deputation was received by Sir George Rainy. The suggestions of my friend, Maulvi Muhammad Yakub, are contained in paragraph 7 of the blue pamphlet. The first suggestion, Sir, is one of broader policy which the Honourable Sir George Rainy will no doubt answer. So also, Sir, the second, except to the extent that a reply has already been given when the Honourable Sir George Rainy met the deputation, and made the following observation:

"that the representation of Muslims on particular railways must necessarily vary in degree for a percentage that was suitable, for instance, on the South Indian Railway, could not possibly be adequate for a railway such as the North Western where, in a large part of the area served, Muslims were not a minority community but constituted the majority of the population."

That answers a part of the observations made by my Honourable friend, Maulvi Muhammad Yakub.

The next suggestion was that two Muslim officers of senior rank should be placed on special duty to look after the interests of the representation of Muslims, and I think the Maulvi made it a very particular point that these officers should continue on special duty for a period of not less than

five years. My Honourable friend, Mr. Parsons, informed the House a day or two ago that the Railway Board had decided to place two officers on special duty for one year for the purpose in view. That does not mean that we limit ourselves to keeping them on special duty for a year only, but we will review the position again about this time next year and decide whether it is necessary to continue their special duty

Maulvi Muhammad Yakub: In one year they will not be able even to learn their alphabet.

Mr. A. M. Hayman: I am sure, Sir, that the Members of this House will be given an opportunity next year of expressing an opinion on the point as to whether they have done something or if they are to do much more, whether their special duty should be extended.

Mr. K. Ahmed: But you said the same thing last year and a year has gone by. You are here by the votes of the Muhammadans.

Mr. A. M. Hayman: I claim that we have done a great deal during the past year. If we had not, you would not have had all these facts brought out before you and you would not have reached the stage that we have reached.

Mr. K. Ahmed: What is the use of speaking so much if it is not going to do any good at all?

Mr. A. M. Hayman: There is another point which was made by Mr. Yakub and one of the other speakers, that is, that they would like to see on our Selection Boards for our subordinate services a Muslim officer. We have not yet issued definite orders on that subject, but that suggestion will be considered when dealing with the rules for the recruitment of the subordinate services which are shortly to be placed by the Honourable Sir George Rainy before the Central Advisory Council for Railways. I shall make a definite suggestion to the Honourable Sir George Rainy and that is that. We circulate to the Central Advisory Council with these rules of recruitment memorandum summarising the main suggestions that have been made in this House on the question of Muslim representation so that Honourable Members of this House and of the Council of State who are on the Central Advisory Council, when they sit down to examine our recruitment rules, may take into full consideration all that has been said here and may come to a decision as to what alterations they will advise should be made in the draft rules in order to secure adequate representation of Muslims. I may at once say there is one particular direction in those rules which have been drawn up by the Railway Board which secures better opportunity for the Muslims to be taken into the service and that is, firstly, we have definite rules laid down as to how recruitment is to be made. They are to be made in the main by Selection Boards presided over by a minimum number of officers, and now since an officer has been placed on special duty for the purpose of looking after the interests of Muslims, the Railway Board will instruct all our State Railway Agents that where it is not possible to obtain a Muslim officer of the railway to sit as a member of these Boards, to co-opt one of the officers on special duty who might be a Muslim, to sit on this Board, we will do this because we are very anxious to see that the omissions of the past are not repeated and that Muslim interests receive adequate representation.

Mr. K. Ahmed: That is not genuine. It is by our vote that you make that statement. I have grown gray, Sir (Laughter), and I know the Government much more than anybody. With four votes of the Muhammadans you were appointed when the Hindus kicked you out, and the whole Demand for your salary was about to be rejected.

Mr. A. M. Hayman: Even so, we shall certainly watch the interests of other communities as well . . .

Mr. K. Ahmed: That is again another misinterpretation.

Mr. A. M. Hayman: I think I need only add a word or two about the remarks which fell from my Honourable friend, Dr. Suhrawardy. It is that the definite instances which he has quoted, in which he thinks there has been injustice done, will be immediately and carefully examined by the Railway Board. In this matter, as in all other matters, we in the Railway Board wish to have definite facts and figures, and we undertake to have them examined and see that proper action is taken.

Before I sit down, I wish to appeal to my Muslim friends in this House to consider this question in a way that would appreciate our difficulties. The difficulties are that we have taken up a position where there has in the past been inadequate recruitment in the superior and subordinate services of Muslims. If Honourable Members feel that the arrangements for the recruitment of superior services under our recruitment rules are such that qualified Muslims do not get in in proper numbers, Government I am sure, Sir, will be ready to consider definite suggestions that are made for any alteration of those rules.

Maulvi Muhammad Yakub: You have said nothing about the other suggestions of mine.

Mr. A. M. Hayman: I will just reply to the suggestion that there should be provincial or local committees. . . .

Maulvi Muhammad Yakub: I want a reply to No. 4 and No. 5.

Mr. A. M. Hayman: I will take No. 5 first and say at once that a definite reply is already contained in the Memorandum. Firstly, it is shown in that Memorandum that we attach importance to posting Muslim officers, who are already in our service, for staff duties. I am very anxious to have an adequate number of Muslim officers employed on staff duties. I am also anxious to see that senior subordinates, who are Muslims, are put in as Head Clerks and Superintendents of offices when qualified and senior enough. But as I have said earlier in my speech, it is not just for us to supersede the claims of other communities only to put in a Muslim. At the same time care is exercised to see that Muslim subordinates are not superseded without justification. If such an employee has not got all the experience and training which is necessary to fill a higher post, we endeavour to give him the necessary training . . .

Maulvi Muhammad Yakub: But do you not supersede Indians in favour of Anglo-Indians?

Mr. K. Ahmed: He himself has superseded others: he has himself set the example.

Mr. A. M. Hayman: I hope that Railway Administrations do not supersede any employee without good reason. I am sure the Railway Board do not do it; their eyes are blind to communal considerations, in dealing with such questions they only select the best qualified officials when promotions are made for selection posts on the basis of merit.

Maulvi Muhammad Yakub: It is time they opened their eyes.

Mr. A. M. Hayman: About the Committees which are to help the Railway Administrations in the selection of candidates, it has been stated in the Memorandum that Government will consider this suggestion, and it is my intention to place before my colleagues on the Board the definite suggestion that this matter should be placed on the agenda paper when the Agents of Railways are here next March to discuss important problems which affect Railway Administrations as a whole. I think we must hear what the Agents have to say on the subject. It is an important suggestion and it is one to which Government attach importance and we propose to deal with it as quickly as we can. Instead of writing to Railway Administrations asking for their views, I propose that the Railway Board should discuss it in March with them so as to take an early decision.

Maulvi Muhammad Yakub: Will the Honourable Member invite some Muslim Members to join in their conference with the Agents when they are here?

Mr. A. M. Hayman: That suggestion will receive careful consideration from the Railway Board and will be placed before the Honourable Sir George Rainy for his orders.

Mr. M. Maswood Ahmad (Patna and Chota Nagpur *cum* Orissa: Muhammadan): Sir, at the very outset let me make it clear, that I do not grudge anybody having his proper share in the administration of the country and that I will be the last person to advocate that efficiency should in any way suffer because of communal claims, but the speech of my Honourable friend, Mr. Ranga Iyer, on the general discussion of the Railway Budget was the cause of a very great disappointment to every Muslim Member of this House. I am very glad to hear him today and to know that my Honourable friend, Mr. Ranga Iyer, has also more than one face like the Honourable the Railway Member. We know him at that Bench as the Deputy Leader of a party; we knew him as a communalist on the 19th February, and we know him today as a nationalist speaker. He also is the Brahma, Vishnu and Siva of this House. (Laughter.)

Mr. B. Das: Are you not?

Mr. M. Maswood Ahmad: I am not, Sir.

Dr. A. Suhrawardy: You are not a God?

Mr. M. Maswood Ahmad: Certainly not.

While his speech of the 19th, condemning every kind of "ism" was full of "isms", the worst type of "ism" the mischievous type of "ism" the vicious type of "ism" the pernicious type of "ism", *i.e.*, communalism, today's speech is a kind of redressing speech. a pleasing speech, an

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encouraging speech, a speech in which my Honourable friend himself does not believe.

Efficiency has become a byword and it is used at every place whether proper or improper. If the demand of rights, if the demand of justice affects efficiency, why do you ask for Indianisation? Why do you object to the I. C. S. examination being held in England? Why do you grudge the Anglo-Indians getting some jobs? Why do you complain about it? Indianisation is not going to strike at the root of efficiency, why should it strike at the root of efficiency if Mussalmans are given their due share?

I am not ready even for a moment to accept that Muslims are in any way inferior to any community in India, but it is on account of some internal clique that they are deprived of their legitimate and just rights. The thing is that the party which is in power opens the door for its own party men only, and the door remains closed for all others. It is that party which does not care either for Sir George Rainy or Mr. Hayman and their circulars are trampled under their feet. They do as they like. I is rather difficult to understand the mentality of such persons.

Then with regard to the remedy, what is said on behalf of the Railway Board is not actually desired by Members. Had it been so desired, then the Muslim percentage would not have been so low in the railway services. Sir, nobody denies that efficiency is absolutely necessary for every responsible post, rather for every post, but what I want is that, subject to such efficiency, the representation of each community should be proportionate. There is a paucity of Mussalmans in railway services but there is no dearth of efficiency in Mussalmans. I very much doubt if Mussalmans are in any way inferior or inefficient. If any one wants to test the efficiency of Muslims, let him come forward and suggest that all the employees be examined by a committee of impartial persons, not belonging to any of the communities concerned. The Committee should set the question papers, examine the answer books, publish the result, and in short, they should do everything themselves. Then and only then the merits of the Mussalmans can be found out, and I say with all the emphasis at my command that Muslims will be successful to an extent of 60 per cent. in such a test. The thing is that when a post falls vacant Muslims do not get a chance; they do not get proper information about the vacancy, and generally the applications of suitable Muslims are misplaced on such occasions. It is an irony of fate that such things should happen only in regard to Muslims; slip of pen is always against them. At the time of retrenchment it affects Muslims more than others.

These are hard facts, Sir, and the question of efficiency does not come in at all. Mussalmans are not given a chance to show their merits. Does any one want that the public services should be the monopoly of any one particular community? I ask the commercial men of the European community here who are sitting on these Benches whether it is a sound policy to adopt in any firm? They, the majority community, should come forward and say that justice should be administered without fear or favour.

Sir, we are not begging favours either from the majority or from the Government. We want our rights as citizens of this vast country to be recognised. Will you deny us our rights and privileges, I ask every Member of this House? We want our rights, the rights for which we fight, and

we are right. I find that, after 150 years, the Honourable the Railway Member has opened his lips and admitted our rights and grievances. Although this admission is limited to words only, even that cannot be tolerated by some friends here. I hope the Railway Member will not care for any vicious speech, any wicked speech, any dangerous speech any poisonous speech, a speech which is going to be condemned by generations unborn, a speech which denies justice.

Sir, I may most emphatically tell the Government Benches and the Railway Board that there is nothing in their speeches which inspires hope in us. If their attitude and their policy remain unchanged, as was apparent from the speech of the Honourable the Railway Member, then he must be certain that all his circulars and instructions will be treated as mere scraps of paper and will find their way into the waste-paper basket, and in this way the Mussalmans will be deprived of their just and legitimate rights. The result of such an attitude is that there is a very low percentage of Muslims in the superior railway services. They must know that the hold of a certain community cannot be of any utility to them. Railways are business concerns in which the safeguarding of the rights of all their customers is the primary duty of the manager of the firm. The Government should be prepared to face the consequences that will follow on account of the preponderance of one community at the cost of others. I do not wish to say anything more than this. Besides this, the Government should also take notice that dissatisfaction is increasing in the minds of Mussalmans and they are now doubtful whether such speeches and promises are made to pacify them and that the sympathy of the Government is with others. The result of all the efforts of the Government is that amongst gazetted rank officers in 1925, the percentage of Mussalmans was 2.31 and in 1930, it was 3.31; amongst subordinates, I mean people getting Rs. 250 a month and above, I find in 1925, the percentage was 3.5, and in 1930 it was 4.23. The percentage of recruitment for permanent posts of gazetted rank officers in 1926-27 was 10.4 per cent., and in 1929-30, it was 9.75. Is that a fact or not, Sir, I ask? (*Several Muslim Members*: "Yes, that is correct".) If this is the result of their efforts, I ask them to judge their success. Sir, the great difficulty is that Mussalmans are everywhere handicapped. I want to quote a few lines. I find on page 9 of the Memorandum that "The higher subordinate posts are as a rule filled by promotion from lower grades where Muslim recruitment has been poor in the past". Then at page 10 what do I find? I find "that while there is no dearth of Muslim candidates with suitable qualifications, no special steps have been taken by the Welfare Department of the North Western Railway for Muslim recruitment, and that vacancies in certain classes of posts are not advertised".

Again I find, Sir, "preference is given to the relatives of railway employees, and in view of the preponderance of the Hindus, most of these appointments generally go to the relatives and friends of the Hindus in the railway services".

(At this stage, Mr. President resumed the Chair.)

Sir, what remedy, has been suggested? I find here "that the staff and welfare officers should, among other duties, be specially charged to watch the interests of the railway staff as a whole and to take steps to ensure that injustice or anything underhand does not creep in, in particular, in matters relating to recruitment". But when 51 clerks were

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recruited for the Welfare Department of the North Western Railway, "for the Department which has been specially charged to watch their interests, only one Muslim clerk has been appointed. Sir, there is a saying:

*"Hamne mana ke taghافل na karoge lekin,
Khak hojaingen ham tum ko khaer hone tak."*

Which means "I admit you will not be guilty of taking care of us, but we would be reduced to ashes before you turn your attention towards us".

It will, I have not the slightest doubt, in this way, take at least a century to get our due share in the administration of the country. It is on account of such things that the boldness of other persons is increasing; otherwise, it was impossible that the demands of Muslims would have been turned down so lightly. The consequences will be very serious if the grievances of the Muslims are not redressed, and the responsibility will rest on the shoulders of the Government. That is why I ask that the Railway Board should change their policy and should not remain content only with the issue of circulars. They must get quarterly reports from the different Railway Administrations to see how far effect has been given to their instructions. All new posts or those falling vacant should be advertised in the Muslim papers, both English and the vernaculars, and the Muslim Members of this House and of the Council of State should also be informed. As the percentage of Muslims is very low in comparison with others, they should be recruited at a higher percentage. The Government are in a better position to satisfy our legitimate and honest demands, and I appeal to them that, instead of making speeches and giving arguments, they should honestly and earnestly do their best to remove our grievances.

Before I sit down, I will appeal to my Hindu brethren that they must on this occasion show by their attitude that they can be safely entrusted with the interests of other people, and if they do not show that attitude, I can say, without any fear of being contradicted, that India's aspirations will never materialise.

With these words, Sir, I resume my seat.

Mr. B. Sitaramaraju: I rise to support this motion, and, in doing so. I regret the import of heat into this debate earlier this afternoon, but fortunately with the sun, we are getting cooler. In supporting this motion I wish to congratulate my Honourable friend, Mr. Anwar-ul-Azim, and his friends for the extraordinary patience with which, day in and day out, they have been applying themselves to the task of securing for their community its due place in these services. From the very large number of interpellations that have been asked and from the number of deputations that were waiting on the Honourable Member, one would think that the Muslim community was indeed very lucky; that they must really be getting something and yet they were asking for more. But, fortunately for us, we have before us the very official records which show that their representation in the services is very low indeed. Would you believe it if I were to tell you that, in the superior and in the higher subordinate services their percentage would come to only 3.75, that is, even less than 4 per cent.? To suggest that a community, which has given an eminent man to preside over our deliberations, a community which is 70 millions

strong in this country, a community which has produced brilliant men in every walk of life, could not find more than 4 per cent. to serve on such an important key service as the Railways, is very absurd on the face of it. If pious declarations of policy and kind words were to satisfy us, not only the Muslims but every minority in this country are satisfied, because so long ago as 1925 the Government of India declared that their policy would be to reserve one-third of the services to redress communal inequalities and two-thirds of the services would be set apart for merit. But what do we find now? I have the figures. Even if you were to take the Hindus and the Muslims together, they are not more than 25 per cent., while we find that something like 70 per cent. are manned by Europeans and Anglo-Indians. The remaining 5 per cent. would go to other classes, which, according to the definition given to the term, statutory Indian, might include even a European domicile in this country. However that be, as the larger question of Indianization will be discussed hereafter, I would like to confine myself now to the question of Muslims. In doing so, I wish to say that this deplorable state of the Muslims in these services could not be tolerated. They petitioned; they supplicated; and they remonstrated. Their petitions were ignored, their supplications were disregarded, and their remonstrances were set at nought. After this, I wonder whether Mr. Anwar-ul-Azim and his friends would not think, as once Cardinal Wolsey thought, that if they had served their country with half the zeal with which they served the Government of India, they would not be in the sorry plight in which they are today.

This time, last year, when I entered this House for the first time, this was the very subject that was then being discussed. On that occasion, Mr. Jinnah thought, very boldly thought, it impressed me very much when he thus thought, that there might be a policy underlying all this. When a large part of the Moslem community were clamouring for these positions in the services, that it should go on unredressed, might be a part and parcel of the policy of the Government to take advantage thereby of the sentiment which is cherished by some Indians, who feel that the claim of the Moslems is an invasion upon their cherished doctrine, the survival of the fittest. In order to take advantage of that sentiment, Mr. Jinnah thought, that it might be possible that the Government were thinking it right to keep those grievances unredressed. But I must admit that on that occasion the Honourable Sir George Rainy hastened to assure the House that there was no motive underlying the Government's policy in this matter. However that be, the effect of this unredressed grievance on the communal harmony in this country has been very disastrous. I can very well understand my Honourable friend, Mr. Ranga Iyer, being rather vehement on the question of communal representation. I can very well understand his position, but before I wish to say anything on that, I would like to ask what is exactly this communalism he denounces. In a country like ours, which is divided into so many watertight compartments, divided into so many castes, and creeds it is impossible, at any rate, at this stage, to think beyond the compartments into which these people are divided for ages all at once. It is quite proper for them to think for themselves in the narrower field before they can think on the broader aspect of the whole problem. Therefore, I feel that there is no harm for any one now to feel that common interest which long association in compartments would give to each other. But I would certainly object to that form of communalism, whether it be that of the Hindu, or of the Moslem, or of the

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Sikh, or of the Parsi,—that form of communalism which denies, and seeks to exclude other communities from the privileges which one would like to have for his own.

Mr. O. S. Ranga Iyer: Hear, hear.

Mr. B. Sitaramaraju: It is that form of communalism, I understand, that Mr. Ranga Iyer would like to oppose.

Mr. C. S. Ranga Iyer: Yes. Why leave out the Sikhs and other communities? That is exactly the point.

Mr. B. Sitaramaraju: Therefore, Sir, I was very much surprised when the Honourable Sir George Rainy in his speech made no mention of the other communities which also ought to derive the benefit out of the Government's policy of keeping one-third for the minority communities. He was thinking of Muslims alone, but let that pass for the present. All that I do want to say at this stage is that there is no denying the fact that the Muslims have been done a great injury, in that they could not be given more than 4 per cent. I heartily support this proposition and would like to tell the Government that there is no use of pious words and soft promises that they would do this thing and that thing. If they really mean to do anything for the Mussalmans let them do it now.

Mr. O. S. Ranga Iyer: The Muslims must be prepared to concede the claims of other communities also. There is no use in their shouting and losing their head over it.

Shaikh Sadiq Hasan (East Central Punjab: Muhammadan): I rise to support the cut moved by my friend Mr. Anwar-ul-Azim. In the statistics for 1928-29 it was admitted on all sides of the House that the condition of Muslims was extremely deplorable and that the Government were not doing anything in the matter. I am afraid the Report of 1930 is no better than the previous one. In the case of the superior officers the position of the Muslims is extremely unsatisfactory. However, if taken as it is, the latest figure given by the Railway Board's Report is 4·33 per cent. The progress made during the year 1929-30 shows that, while the ratio of Muslim superior officers rose from 4·28 to 4·33 on State railways, it came down from 1·95 to 1·83 on Company railways. The small rise in the State railways is more than counterbalanced by the fall in the Company railways. Last year we had the prospect of making up the 22 per cent. in hundreds of years, but this year the conditions are much worse. Sir, I crave the indulgence of the House for giving them a few more figures about the class of staff called the subordinate grade services. On State railways the Muslims are 5·09 per cent. at present and in 1929 they were 5·02 per cent. That is, there has been an increase of ·07 per cent. during one year and at present on Company-managed railways our percentage is 2·33 per cent. and it was 2·0 in 1929, which means an increase of ·33 per cent. God alone knows how many centuries it will take to achieve a reasonable percentage for Muslims at this speed. The experience of the last five years has proved beyond doubt that the Government have done practically nothing in this respect. I wish to make it clear that I have nothing to say against any particular member or officer of the Railway Board. There was some mention

made about Mr. Rau. I have known him for a few years, and I think he is as good as any one or as bad as any one. This policy of drift on the part of the Government has created a feeling of mistrust among the Muslims, and in order to remove it Government should fix a definite percentage for the recruitment of Muslims to be achieved in all grades, and lay down a definite percentage for the recruitment of Muslims, which would result in reaching the ratio laid down for all services in a maximum of five or ten years. The present policy of Government to give 33 per cent. of posts to minorities in order that they may have adequate representation in the services has not proved of any practical benefit to the Muslims, who get in fact not much out of this. Now, Sir, from the facts that I have placed before the House, it is quite evident that the condition of Muslims in the railway service is extremely deplorable. It does not require the eyes of a communalist alone to see the injustice to the Muslim community in this respect. I am glad that the Government have after all realised their duty, and I am grateful to Sir George Rainy for having given an assurance to do something in this matter. Unfortunately we have had a rather bad experience of Government promises and assurances in this behalf. For a number of years we have been getting very generous promises, but all to no purpose. Let us hope that the Government really mean business this time, and if any thing substantial is done this year then the Government surely deserves the thanks of the community and of all just and reasonable people. The Government should particularly see that the Agents carry out their orders and do not ignore them as they have been doing in the past.

Now, Sir, a word to my Hindu friends outside this House. I am very thankful to the members of the Opposition for not opposing this motion, but you see there are other people who are outside the House and who wield also a great deal of influence. I must say that I am not a communalist, at least as it is understood by my Madras friends. I was told by my friend Mr. Raju that in Madras a communalist is described as one who wants everything for his community and nothing for others. Happily this definition does not apply to me, as I do not believe in having everything for my community but what I want are the barest rights, while the word communalist correctly applies to those who want to keep down the minority communities under the cloak of a false nationalism. Some people say that the Muslims always clamour for the loaves and fishes of the services. To them my reply is that they do so because they must have their proper share in the administration of the country. To my mind it appears that, for a long time in this country, a good deal of political power will rest in the hands of the Bureaucracy. Governments may come and go, but the Bureaucracy will go on for ever. The Bureaucracy will always be a power to reckon with, whether it is a fat salaried officer of today or half starved Swarajist of tomorrow. Even in England it wields a considerable amount of power. It will be much more so in India, where democracy is just now taking its birth. Let me, Sir, give a word of warning to such communalist friends who still believe that the Muslim demands should be treated with indifference, that this game has never paid in the long run. This is what the British have done in India for the last 50 years, we all know with what consequences. If a reasonable, just and accommodating policy had been introduced in the beginning, I am sure the present crisis would never have occurred. A word more and I have done. Much capital is made out of

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simple words like merit and efficiency. I for one do not hold that minorities should be represented in services even at the cost of efficiency, but this does not mean that a fetish should be made of efficiency and under its garb minorities should be deprived of their due share. It is generally admitted that competition is not the only test of efficiency. There are examples of illustrious persons having failed in examinations, but having proved later to be head and shoulders above their compeers, who somehow managed to secure more marks than they could in the examinations. In case a minimum standard of efficiency is fixed, I think all communities can reasonably hope to get their proper share without any loss of efficiency of the administration.

There are also some people who, in order to throw cold water on our efforts as regards getting a share in the services for our community, raise the cry that the Government of India are behind the scenes, and that in order to create a split amongst the peoples of India, the Government throw these bones of contention among them. I must tell them plainly, Sir, that it is not just to accuse the Government of it. If there is anyone to blame, it is we who should be accused, because we earnestly desire that our co-religionists should have their proper share in the services and thus enhance the influence of the community and also try to relieve to some extent the economic struggle which is going on. Sir, at the present moment, I do not want to mince matters, and would like to say a few words in favour of other communities as well—the depressed classes, the untouchables, the sweepers and ghamsars who are still looked down on by society. Why should they be kept in this state? It is, Sir, against the interests of democracy to keep them so, and I would certainly give them also their due share. My theory is that a large number of the Muslims in India belong to the Dravidian classes, and their conversion to Islam has given them a status, which should not be denied to untouchables, if they retain their identity and do not want to become Hindus, Mussalmans or Christians. They should also be give a share in the services, and then you will see, Sir, in what a marvellous way the line of untouchability would disappear. (Applause.) So my plea is not for Muslims alone, but for untouchables, and other minority communities such as Sikhs and Christians as well, who are all deprived of their just share in the administration of this country. Sir, I would once more thank Sir George Rainy for his promise and also my friends of the Opposition for not opposing this motion.

Dr. Ziauddin Ahmad: Sir, in view of the assurance given by the Government, and in view of the fact that this motion is not opposed at all, may I request the Honourable the Mover not to press it but to withdraw the motion?

Mr. President: What does the Honourable Member mean? Probably the Honourable Member does not know that it is very nearly time when the House will take up his adjournment motion for consideration.

An Honourable Member: The Honourable Member is not the Leader of the Party.

Mr. President: The consideration of this motion will have to stand over till to-morrow. Order, order. The House will now proceed to discuss the motion for adjournment by Dr. Ziauddin Ahmad.

4 P. M.

MOTION FOR ADJOURNMENT.

SUMMARY TRIAL AND EXECUTION OF HABIB NUR AT PESHAWAR.

Dr. Ziauddin Ahmad (United Provinces Southern Divisions: Muhammadan Rural): Sir, my Honourable friend, Mr. Shafee Daoodi, moved an adjournment motion in July last at Simla on a similar question, but on account of a suggestion that a conference between the Treasury Benches and the representatives of the Assembly would serve a more useful purpose than a discussion in the House, that discussion was postponed. This conference was held at Simla, and with very good results.

An Honourable Member: First move the motion.

Dr. Ziauddin Ahmad: We had a very good conference, and as a result of this conference, Mr. Pears, the Chief Commissioner of the North-West Frontier Province was also requested to have a talk with the representatives of the Assembly.

Mr. K. Ahmed (Rajshahi Division: Muhammadan Rural): Sir, this is not an urgent matter of a definite issue, which my friend is moving. That is what my friend must move. Otherwise he need not move.

An Honourable Member: An adjournment motion must be moved according to the rules and the Standing Orders.

Mr. President: Will the Honourable Member move that the House do now adjourn, and then proceed with the remarks which he may wish to make on the motion.

Dr. Ziauddin Ahmad: I beg to move, Sir, that the House do now adjourn in order to discuss a matter of public importance in connection with the execution of Habib Nur in Peshawar. That is my motion, and I just want to trace a little history about it. When we left Simla, at any rate I and other Members who took part in the discussion, we hoped that in future everything would be all right, but to our great surprise we found that, instead of everything being all right, martial law was proclaimed and things went from bad to worse. I put a question here a few weeks ago as to whether there was any part of India where martial law was proclaimed for a longer period, and, Sir, as if by way of adding insult to injury I was told, "Yes, in the case of the Moplahs of Madras it was really enforced for a longer period". Now this time we have had occasion to read several pamphlets describing the atrocities in the North-West Frontier Province. I confess that I read the book that is called "The Frontier Tragedy", before that book was proscribed. I also had the opportunity to read Mr. Patel's Enquiry Committee's Report, again fortunately before it was proscribed, and I also read several other pamphlets which were written on the subject, and I think, Sir, any man who read the literature on the subject could not but feel strongly about the unhappy position in that particular province. The one thing which I do not really understand.

Mr. K. Ahmed: Are you opposing the motion?

Dr. Ziauddin Ahmad: I am moving the motion.

Mr. K. Ahmed: Again he is rambling.

Mr. President: Order, order. The Honourable Member ought to know that he has obtained the permission of the House to deal with a definite matter of urgent public importance, and that is the summary trial and execution of Habib Nur in Peshawar. The Honourable Member is talking of various things which do not appear to me to bear on the specific and the definite issue for which he has asked the House to adjourn. I wish he would confine himself to that issue and that issue alone.

Dr. Ziauddin Ahmad: Very well, Sir, I will come to this particular affair. Habib Nur, a Pathan, of the Mohmand tribe, was charged with having committed a murderous assault on the Assistant Commissioner of Charsadda and was committed to the Sessions on February 17th. The trial concluded *in camera* on February 18th, and from its conclusion *in camera* we might also in good faith infer that the whole trial was conducted *in camera*. The accused was sentenced to death and was hanged the following day.

Now, three important questions arise out of this. Firstly, it should be noticed that the Assistant Commissioner had not been murdered. He had only been assaulted with intent to murder, but this intention was not actually carried out. Had it come to fulfilment and the Assistant Commissioner been actually murdered, we wonder what punishment would have been meted out to the culprit seeing that he has suffered the highest penalty that can be inflicted on a person for an intention that was not accomplished. This is a question which I will leave to my Honourable friend Sir Hari Singh Gour to discuss as he will probably ask the Members of Treasury Benches to devise a form of punishment more severe than what has been already inflicted, probably some kind of infiction on the soul of the individual. Secondly, the trial was held *in camera* so that the public could know nothing as to whether the accused was given a fair trial or not. Thirdly, the sentence was executed the very next day and no chance was given for an appeal.

Mian Muhammad Shah Nawaz (West Central Punjab: Muhammadan): There is no appeal.

Dr. Ziauddin Ahmad: I should like to leave it to Sir Hari Singh Gour to discuss this particular law under which this unfortunate man was hanged, and I would ask, and he would also ask, the Members on the Treasury Benches how far the enforcement of a Regulation of this kind under which such a trial could take place is justifiable. We know, and I have personal experience of the fact, that the Foreign Secretary, the Honourable the Home Member, the Honourable Member for Education and above all His Excellency the Viceroy, take a very genuine interest in the welfare of the province, and are anxious for the prosperity of the people. I have full reasons to believe that the Chief Commissioner also takes a very sympathetic interest in these things; but in spite of the interest of all these persons on the top, I cannot realise how these atrocities could continue in that place, in spite of the good wishes and the serious efforts of all these gentlemen at the top. There must be something seriously wrong in the whole administration, the personnel of the subordinate offices and I think it is now time that the whole question should be carefully looked into and the wrongs which the people of that province have so long suffered should seriously be redressed.

Sir, I move.

Sir Hari Singh Gour (Central Provinces Hindi Divisions: Non-Muham-madan): Sir, I hope Honourable Members of this House will dismiss from their minds the question that Habib Nur belonged to any particular community. They will look at the question from the broad humanitarian point of view, and if they look at the question from that point of view, I am quite certain that there will be nobody in this House, including the Honourable Members on the Treasury Benches, who will not be morally conscious of the wrong that has been committed and is being committed in the guise of British justice. In order to point out to Honourable Members the law under which this unfortunate individual was presumably tried and executed, let me point out that Act XXIII of 1867 was passed as far back as 1867 and its primary purpose is clear from the Preamble of the Act:

"Whereas in certain districts of the Punjab fanatics have frequently murdered or attempted to murder servants of the Crown and other persons and whereas the general law of the country is not adequate to suppress such occurrences, it is hereby enacted as follows:" etc.

This was the Act that was passed in 1867 to suppress what was then known as Ghazi-ism, or religious fanaticism. Now, Honourable Members will remember that this Act had a life of ten years and consequently in the ordinary course it would have expired in 1877. But in that year another Act was passed, Act IX of 1877 and it is provided in that Act that:

"The said Act" (i.e., the Act of 1867) "shall be revived and shall remain in force until the Governor General in Council otherwise directs."

Consequently, this Act is now in force and will remain in force until the Governor General in Council otherwise directs; and if I understand aright, the Honourable the Mover of this motion is bringing pressure through the instrumentality of this House upon the Governor General in Council to use their good offices and to see that this ancient law is immediately repealed.

Mr. Muhammad Yamin Khan (Agra Division: Muhammadan Rural): It was repealed in 1891.

Several Honourable Members: Re-enacted as a Regulation.

Sir Hari Singh Gour: Let me briefly give to the Honourable Members the reasons why the House should support this motion. As I have pointed out to Honourable Members, under this old Act of 1867 there was only a mockery of a trial. The Act itself provides, and very clearly provides, that as soon as a man is apprehended of committing murder or attempting to commit murder—and I shall deal with this point later on—he shall be tried by the Sessions Judge or by the Commissioner, who may examine witnesses if they choose to do so. But if they find that the witnesses are cited for the purpose of causing delay, then those witnesses need not be examined. But now comes the most important point, that after the examination of the witnesses, the Court is not to record any judgment at all, and all that the Court is called upon to do is to specify the offence for which the accused is convicted; and then the sentence of death is passed and it is not open to appeal. And what is more, that sentence is immediately executed. I shall be perfectly frank with the occupants of the Treasury Benches. If they really want to suppress

[Sir Hari Singh Gour.]

crimes of this character, let them hang people without a trial. But I strongly object to this mockery of justice in the name of a regular trial. You examine witnesses; the non-examination of witnesses is at your discretion; you write no judgment at all and you immediately hand over the accused to the hangman and he hangs him. Honourable Members will bear with me when I say that in this case the facts do not appear to have justified even a recourse to the law. If I take the newspaper report as correct, all that has been said in this case is that he aimed at Captain Barnes and fired a shot, but evidently the cartridge did not explode and consequently Captain Barnes was not hurt at all. Even in spite of this, he was tried under section 307 and sentenced to death. Now, I think Honourable Members belonging to my profession will have no hesitation in condemning this procedure as it was condemned by the Chief Justice and the associated Judges of the Bombay High Court in the case of Cassidy, a very similar case. What happened in that case was that he also wanted to fire and kill the Major of his regiment, but the gun failed to discharge. And thereafter the question arose whether Cassidy could be prosecuted and convicted under section 307 of the Indian Penal Code; and the Judges determined that because it was not an act within the meaning of section 307, which could be described as an attempt to commit murder, Cassidy could not be convicted under section 307. That is the view which the Bombay High Court took as far back as the seventies. and the case is reported in 4 Bombay High Court, page 17. Now I wish to ask Honourable Members this question. Here is a man who intended to kill another person and fired a shot.

Mr. Arthur Moore (Bengal: European): Two shots.

Sir Hari Singh Gour: My point is that the shot did not hit.

Nawab Sir Sahibzada Abdul Qaiyum (Nominated Non-Official): It is a case of misfire. No shots were fired.

Sir Hari Singh Gour: The fire did not take effect and no harm in the slightest degree was caused to the victim. That is the point I am making. Could the man in these circumstances be convicted under section 307?

Mr. L. V. Heathcote (Nominated Non-Official): Was not the man a fanatic?

Mian Muhammad Shah Nawaz: How would you define a fanatic?

An Honourable Member: He called himself a Ghazi.

Sir Hari Singh Gour: The Judges of the Bombay High Court laid down half a century ago that a man in these circumstances could not be convicted under section 307, though he might be proceeded against under section 511, which is an attempt of a different character. Now, the point I wish to make, and the point upon which I wish to lay some emphasis is this. If the case does not fall under section 307 and falls under the general tenor of section 511 which deals with attempts to commit other offences, the other offences mean other than murders, then I submit the case was not triable under the provisions of the Murderous Outrages Act of 1867. Now, I beg to ask, when you have got a case on the border line—I will grant for the sake of argument that this is a case on the border

life—it is a case in which the High Court may have justifiably held that this was not a case covered by section 307 but is covered by the more general section 511, in that case would it have been right to treat the man under the Act of 1867 and execute him forthwith? Now, I submit, Sir, the man is dead. But what my Honourable friend, the Mover of this motion, wants is that there should be no recurrence of a similar miscarriage of justice, and he therefore wants that the House should adjourn so that the Governor General may be advised to use his power to put an end to this obnoxious provision of the criminal law, which violates every known principle of justice and equity. Even under the very recent Criminal Procedure (Punjab) Amendment Act, a very drastic provision, which provides for the punishment of persons committing offences, political and otherwise, involving loss of life, even in those cases, under the emergency provisions of the Act, this House only recently, at the instance of the Honourable the Home Member, provided for an appeal to the High Court. That I submit is a sound principle, that every convicted person is entitled to have his case decided by a court of appeal. Now, in this case, the man was tried for his life, and I think the least the statute must provide for, is that the accused should have the right of appeal. It is one of the principles of criminal jurisprudence—one of the principles for which my friends, the Europeans on the other side of this House have been struggling—that no man should be tried for an offence unless there is a *prima facie* case against him, and that is indicated by the commitment proceedings before the Magistrate, and then the next stage is that if he is tried in the Court of Sessions and convicted, the Sessions Judge is incompetent to execute the sentence and in the technical language of law he only passes the sentence of death subject to confirmation by the High Court, and Honourable Members will remember that when the case goes to the High Court, not less than two Judges must agree in the recommendation of the Sessions Court before the man's life is taken away in due course of law. Now, I submit if we were to take this ordinary procedure which applies to cases of ordinary offenders, is there any reason why an exceptional procedure should be resorted to in the case of offenders in the Punjab or in Peshawar? Honourable Members may say, we want to suppress organised crime. Honourable Members cannot forget that under the Act of 1867 a fanatic is not defined. Supposing one man wishes to wreak vengeance upon another person and attempts to kill him, would he be regarded as a fanatic and tried under this Act? Now, in the present case, let us see what the facts are. The facts as reported in the papers are as follows:

“The accused is understood to have admitted his guilt and confessed that he committed the act to revenge the blood of his grandfather and uncle, who were killed by the British in punitive operations against the Mohmands some 30 or 40 years ago.”

It was a case of pure vendetta; it was revenge. A man comes out and says, you killed my grandfather and I will kill you. The question is, is he a fanatic?

Mr. Arthur Moore: What do you mean by saying “you”? It was not that man who killed his grandfather. He was not born at that time.

Sir Hari Singh Gour: I wish to ask Honourable Members one question. You cannot characterise a man as a fanatic if he wishes to take revenge upon a person whom he supposes to be his enemy. He must be tried under the ordinary law and the penalty of death will be imposed in his

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case provided he is convicted under the ordinary law. But you cannot get hold of a man under an extraordinary provision of law and apply it for the purpose of suppressing religious fanaticism under a law passed as far back as 1867. I submit that with the growth and development of national consciousness in this country, and with the growing responsiveness, if not responsibility, on the part of the Executive Government, it is necessary that all these repressive laws should be humanised and made as far as possible subservient to the primary principles of justice. (Hear, hear.) I therefore submit that upon that ground alone this House would be well justified in acceding to the motion of my Honourable friend.

Maulvi Muhammad Shafee Daoodi (Tirhut Division: Muhammadan): On a point of order. As there seems to be some confusion of facts, as the incident relates to a province where strict censorship prevails, I think the Government should lay their facts before the House.

Mr. President: How could that be a point of order?

The Honourable Sir James Orerar (Home Member): Mr. President, I am very glad to accede to the suggestion made by my Honourable friend opposite. It is a very opportune suggestion, because I feel that the speeches of the two Honourable gentlemen who have spoken on this motion have already raised, about what I understand to be the particular subject for debate, a cloud of misapprehension which it will be my first purpose to endeavour to remove. Dr. Ziauddin Ahmad, in the preamble to his speech, which, I think, impressed the House as being vague, of an indefinite character, apparently suggested that the judicial action taken under the Regulation in this case has some kind of connection with matters extraneous to the facts of the case itself. Now, in what I have to say to this House, that is a particular and preliminary contention which I wish to contest and propose to establish as being incorrect. With the other misapprehensions which have been imported into the case by the speech of my Honourable and learned friend both on points of law, if I may say so with the utmost respect, and on points of fact, I shall deal at a somewhat later period. The House, I think, will best be placed in possession of the Material facts of the case if I read out the judgment of the Sessions Judge in the case which recites the matters which are material. The following is the text of the judgment of the Sessions Judge

Sir Hari Singh Gour: Is he the Sessions Judge or the Assistant Sessions Judge? The newspapers say he is the Assistant Sessions Judge.

The Honourable Sir James Orerar: The Sessions Judge.

"Habib Nur, son of Maji Muhammad Ajab, 25, a Mohmand of Transborder territory has stood his trial in this court for an offence under section 2 of Regulation 4 of 1901. The facts alleged against him are that yesterday he was standing outside the garden compound of Captain Barnes, the Assistant Commissioner of Charsadda, when the latter was returning to his court from lunch. The accused advanced towards Captain Barnes. He was offering him a piece of paper which Captain Barnes took to be a petition; when the accused, however, had got near to him he took out a revolver which he had concealed under his sheet, and fired twice at Captain Barnes. Fortunately both shots misfired. Captain Barnes attacked him and got him down and his two orderlies, Mir Alam and Muhabat, came to his assistance and got the revolver from the accused. It was then found that the revolver was fully loaded; that two of the cartridges immediately near the hammer had misfired and the other four were fully loaded. On a further search of the accused person twelve other revolver cartridges

and three charms "Tawiz" were recovered. The witnesses to these facts are Captain Barnes himself, his two orderlies, Habibullah Khan Sub-Inspector, Inayat Khan a Pleader and Ashraf a Zamindar. The accused himself in his statement—(*this is important*)—admits that he fired at Captain Barnes with intent to kill him and that he did it as an act of *ghaza*—(*that is very well known to anyone with experience of the frontier*). When the charge was formally read out to him, he answered that he considered himself to be innocent and added that he did not desire to produce any defence evidence. In the course of his statement he said that his father and uncle had been killed in operations against the British Government. He also said that his brother had formerly come down to British territory to commit an outrage of a similar nature but had returned without committing it; and he adds that even if he himself is hanged his other relatives will come and commit similar outrages. Accused is clearly guilty on his own statement of the offence with which he is charged, and the four assessors who heard the accused are unanimously of the opinion that the accused is guilty. For these reasons I convict the accused of an offence under section 2 of the Regulation 4 of 1901 and sentence him to be hanged by the neck till dead.

I direct that the sentence be carried out in the Peshawar Jail tomorrow morning i.e., the 19th of February, 1931, at the time which is fixed for the execution of such sentences by the Jail Manual. . . I direct under section 7 of the Regulation that after the sentence has been executed the body of the offender shall be buried within the precincts of the jail according to Muhammadan rites."

Mian Muhammad Shah Nawaz : Did he report the proceedings to the Local Government?

The Honourable Sir James Orerar: Yes. I shall pass more broadly on to the case, but there are two points which I wish to emphasise at this stage. There are two points which I think Sir Hari Singh Gour endeavoured to make: firstly that possibly there may be some doubt as to what the actual intention of the accused person in this case was, whether it was an attempt to commit murder or not

Sir Hari Singh Gour: Not the intention, but the act, Sir.

The Honourable Sir James Orerar: Whether it was an attempt: the second was, whether in any event, it could be regarded as coming within the category with which the Regulation deals, that is to say, a fanatical act. Now, both of these contentions are I think entirely exploded by the admission frankly made by the accused person himself. I should like to impress upon the House, in order to remove some misconception which I think these errors have tended to raise, that the proceedings throughout were entirely regular and entirely legal. As the judgment recites, the four assessors who sat with the Judge in the case unanimously found the accused guilty. The trial was not, as has been alleged, held *in camera*; it was held in open Court. And as regards the expeditious manner in which the sentence was carried out, the Judge was only acting in accordance with the prescription of the Regulation, which in section 6 prescribes that the Court shall immediately issue a warrant that the accused's sentence should be carried into execution unless, under the proviso to that section, he finds that there are public interests that require postponement. My point therefore is that the proceedings were entirely regular and that any suggestion that the Sessions Judge had

Sardar Sant Singh. (West Punjab: Sikh): Will you kindly read the proviso to it?

The Honourable Sir James Orerar: Provided that the Court may, , if it seems to it that the public interest so requires, extend the days fixed for the execution.

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Now, Sir, my purpose on that point was to make it perfectly clear that the proceedings were in every respect in accordance with the law.

I will now say one or two words with regard to the genesis of the Regulation. The Honourable and learned gentleman opposite was apparently under the impression that the proceedings took place under the old Punjab Act III of 1867. That is an error. The actual fact of the case is that in 1901, when the North-West Frontier Province was separated from the Punjab, a Regulation, which incorporated some of the provisions of the old Act and modified and amplified it in some respects, was applied to the North-West Frontier Province; but the Punjab Act III of 1867 was at that time expressly repealed in the area to which the Regulation applied. Since that period, the necessity for applying the Regulation has unfortunately arisen on several occasions, and my information, which will perhaps be amplified to some extent by my Honourable colleague who has greater personal acquaintance with its administration, is that it has been applied fourteen times since the year 1909. But I should like to remind the House that the Punjab Act to which the Honourable Member opposite, though on an erroneous assumption, referred in the course of this discussion, and the whole question, including the cognate Regulations which embody the same principle, were debated in 1925 in this House, and an Honourable and learned Member, who very recently sat opposite himself, moved the motion by which the repeal of the Punjab Act of 1867 was expressly removed from the Bill for the repeal of certain Acts at that time before the House. Dewan Bahadur Rangachariar himself went so far as to say that in his opinion the repeal of that Act, in all the circumstances of the case, considering the type of offence against which it was directed, considering the continuance of the circumstances necessitating a provision of that character, would be a crime. I would add further that the Committee which sat to consider certain special laws and which examined every law on the Statute-book, which members of that Committee regarded as being extraordinarily repressive in character, made no recommendation whatsoever for the repeal of this Regulation or of the Punjab Act, or of the corresponding Baluchistan Regulation. On the contrary

Sir Hari Singh Gour: May I point out to the Honourable Member that it was never brought to our notice?

The Honourable Sir James Crerar: I understood that the Honourable Members who were members of that Committee were presumed to have a complete knowledge of the criminal law of India. Apart however from that, there was in point of fact a provision of a precisely similar character, which is now in force in the Madras Presidency, which was particularly noticed in the Report of that Committee and that reference to it, though it is not very specific, goes rather to suggest that so far from any recommendation that that Act should be repealed, it might perhaps be expedient that it should in some respects be extended. Well, Sir, I think that this House would not be acting very wisely if it departed in this respect from the very considered judgment of its predecessor.

Now, Sir, I have briefly put before the House what the actual history of this measure was. I have explained to them concisely what the actual and material facts of the case are. I think I have done enough, at least I hope I have done enough, to assure the House that any misapprehension,

such as that which is voiced by the Mover of this motion, that the judicial action taken in this case had reference to anything else than the intrinsic merits of this particular case, I trust I have succeeded entirely in removing that misapprehension. I trust also that the facts on which the Sessions Judge has proceeded and the fact that the statement made by the accused himself did not disavow the offence, will convince the House that Dr. Gour was entirely wrong in the suggestion that there was no deliberate and resolute attempt to commit a murder in this case, and that it is not perfectly clear that the offence comes directly and specifically within the terms of the Regulation

Maulvi Muhammad Yakub (Rohilkund and Kumaon Divisions: Muhammadan Rural): Can you execute a man on his admission only? Is that the law?

The Honourable Sir James Crerar: That is a perfectly legal procedure. But as a matter of fact, in this case several witnesses for the prosecution were cited, and the accused himself was given an opportunity of calling defence witnesses which he said he had no desire to do, and that disposes of the point raised by Dr. Gour in which he suggested that the Judge might have and possibly did exercise a wrong discretion in not calling witnesses for the defence.

Having said so much, Sir, I want to say a very few words in conclusion on the broad aspect of the question. As my time is short, I will leave it to be developed more fully to my Honourable colleague Mr. Acheson. The persons who have been most frequently the victims of outrages of this character are officers, political and military, serving on the frontier, in all ranks, who are devoted servants, who have consecrated their career and their services to India; and there is no class of officer to whom I would more willingly pay homage and to whom, I think, all persons with a just appreciation of the facts would more willingly pay homage and respect than to that very gallant band of officers. (Applause from the Official Benches.) In discharging their duty of protecting the frontiers of India from violation, from disorder and from hostilities from day to day, they very literally take their lives in their hands. It is not much which we as a legislature can do to assure them of our confidence and support, but such little as we can do either in the way of moral assurance and support, or in the way of taking such legislative measures as are possible to mitigate at any rate those day to day dangers which they incur, that little, I say, we must do, and I trust that this House will reflect very deeply before they take any course of action which might be interpreted as lending in any way countenance or condonation to murderous outrages of this kind.

Sir Abdur Rahim (Calcutta and Suburbs: Muhammadan Urban): Sir, the facts of the case which have given rise to this motion are quite simple and are before the House. One Habib Nur, a Mohmand, belonging to a transborder tribe, made an attempt, as we take it from the finding of the Sessions Judge who tried this case, on the life of one Captain Barnes. The attempt failed, and in fact the revolver misfired twice. He was apparently apprehended by Captain Barnes himself and was made over to the police. He was tried—if you call it a trial—by the Sessions Judge, at Peshawar, on the same day the evidence is alleged to have been taken, the judgment was written, and the sentence of death was passed, and he was executed the very next day. The Honourable the Home Member has justified this procedure. Sir, I have all my life dealt with cases of

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criminal charges against persons, at the Bar, as a Magistrate and as a Judge. I have read hundreds of cases reported in books, and I assure this House that I have not come across a single case of this kind of administration of justice, as it is called. Sir, if that man had been shot or killed by Captain Barnes then and there, I could have understood it, and it might have been said it was natural justice. But to take him before a Judge, and for that Judge to sentence him there and then to be hanged on the next day without giving him the least opportunity to consult his friends or relatives to consider his situation and advise him

Mr. Arthur Moore: He had the opportunity of defending himself.

Sir Abdur Rahim: is what I may call a mockery of trial.

The Honourable Sir James Orerar: He was asked whether he had any desire to call witnesses, and he was given every opportunity.

Sir Abdur Rahim: I do not call it an opportunity. Can any one point out in the whole record of criminal trials a single case in which a man is taken to the Judge, and there and then evidence is taken and judgment is passed? Do you call that an opportunity? In every case of a serious charge, whether it is murder or something less, the man is remanded, so that he may have time to consider what his position is, to take advice from his friends and legal advisers, and then to determine whether he should take any steps or not. For all that he might be a lunatic. Surely, his friends ought to know what the charge is; they should have time to find out from him what actually occurred so that they might take such steps as might be considered necessary to put the whole case before the Court. The Court ought also to record evidence, and properly consider the evidence, giving the accused and his legal advisers a chance to cross-examine witnesses and then consider what action should be taken in the matter. It ought to hear arguments. If the accused is not represented by any counsel, the Judge ought to hear his arguments and consider what he has to say in defence. Even if he admitted his guilt, there is still the question of sentence, and even on that his legal advisers ought to be heard. I submit to the House a case of this nature is unprecedented. It may not be unprecedented in that unfortunate province, the North West Frontier Province, but surely elsewhere it is wholly unprecedented. I challenge every one on the opposite side to produce a single case like this. I pause for a reply from the gentlemen on the Treasury Benches whether there has ever been a case of this nature. Sir, I take this case as a typical case of the North West Frontier Province. From the time I came to this Assembly, I have been hearing all sorts of things. Questions have been put to the Government Benches regarding the atrocities that are being committed there in the name of law, in the name of law and order, in the name of keeping the peace in the province. But, Sir, until this case was reported, I was really half inclined to discount a great portion of what had been told to me. But after this, it is impossible for any one to believe that in the North West Frontier Province there is anything like humane law or in fact any sort of law properly so called. The officers there, whatever their responsibilities or duties, have been given apparently an absolute discretion to do whatever they like in order to enforce whatever they consider to be necessary in the so-called interests of peace.

Sir, the North West Frontier people, the Government must be aware, are sick of the whole situation. Now, let us take this Regulation. The Honourable the Home Member has argued and tried to impress upon the House that it is absolutely necessary to maintain this Regulation for the Frontier Province. The Regulation is directed against murderous outrages committed by fanatics. That word "fanatic" has not been defined. What is the meaning of that? A man may be a religious fanatic, he may be a political fanatic; or he may be a fanatic of a different character. That has not been defined. There is nothing even in the judgment, there is no evidence to show what was the motive or the intention which brought him within the category of a fanatic.

The Honourable Sir James Crerar: The accused himself said that he committed the act as an act of *ghaza*.

Mr. K. Ahmed: *Ghaza* means revenge.

Sir Abdur Rahim: If *ghaza* means revenge, is that fanaticism? Are not many acts committed for revenge?

Mr. Arthur Moore: He goes to paradise if he commits murder as an act of *ghaza*.

Mian Muhammad Shah Nawaz: Nothing of the kind. The Honourable Member is abusing the meaning of that word.

(At this stage the Honourable Member—Sir Abdur Rahim—said something which could not be heard as there were interruptions directed against Mr. Arthur Moore.)

Sir Abdur Rahim: Sir, the word "fanatic" is not defined. It is not known how this man came to be branded as a fanatic. The Honourable the Home Member himself said that because some of his relatives—his grandfather or father—were killed in some expedition, he wanted to take revenge. This is a state of things not unknown in the other provinces, or in other parts of the world. But, surely, is that any ground, any justification for treating acts of this nature on a footing different from the ordinary crimes? Murders are committed in British India for revenge, but those men are tried, are given a hearing, evidence is recorded, there is a proper procedure observed, and then if the man is found guilty, he is sentenced to be hanged. But, here, in this case the matter goes further. The man upon whom the assault was made was not hurt. He was not hurt at all, but the man who committed the assault was sentenced to be hanged. He was to be hanged for a mere infructuous, futile attempt—even supposing it was an attempt within the meaning of the law, of which I am extremely doubtful! Now, Sir, is there any provision in any law that a man, simply because he wanted to kill another but did not—the man attacked escaped unhurt—is to be hanged, that he is to suffer the extreme penalty of the law? I am not aware of any system of jurisprudence under which such a sentence can be passed. It is only in Peshawar in the North West Frontier Province that such a state of things can prevail. I think the world should know how this Frontier Province is being treated by its Administration. It is a sort of administration which is unique; I venture to think it is unique in the present day; it is unparalleled even in the history of many a barbarous nation. (Hear, hear.) Sir, Government will be well advised to take steps to see that administrative acts of this nature are not possible under any sort of law or Regulation, or whatever you may call it, and that any officer, whether he is a

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judge or a military officer, if he is guilty of what I call a crime, is properly and adequately punished. (*An Honourable Member*: "It was a judicial murder.")

This question of the North West Frontier Province has, I find, assumed a very acute form, and it has to be solved, I venture to submit, at once. It cannot be continued; the Frontier Province cannot be continued in this state any longer. The people there have been simply asking for their just rights; they want to be placed under a proper form of Government; they only want that the rule of law should be established there, for that is the province where for a long time there has been no rule of law at all. They are, according to information that one receives from every source,—they are being treated as if they were so many wild animals . . .

Mr. Arthur Moore: Is the Honourable Member suggesting occupation of trans-border territory?

Sir Abdur Rahim: What I am suggesting and what I am urging upon the House is that the rule of law should be established in the North West Frontier Province. I am not talking of the tribes, of the independent tribes.

Mr. Arthur Moore: This was a tribesman.

Sir Abdur Rahim: True, but, the act was committed within British territory and the man ought to be tried according to British law. (Hear, hear.) There is not the slightest doubt that if a man, whether he be a Frenchman or a German or whether he belongs to any other nationality, commits murder, he has to be tried, if he is to be tried here, according to the law and procedure prevailing in British India. Because the man belonged to a frontier tribe, is that an excuse for you not to try him properly?

Nawab Sir Sahibzada Abdul Qaiyum: May I ask my Honourable friend Mr. Arthur Moore whether he has been to the trans-border area, and, if so, whether he has found the people there different from the rest of India?

Sir Abdur Rahim: Even the men of the frontier or the tribal area are human beings I take it. I myself have been through a portion of that territory. I have been in Peshawar, and I know what sort of men they are. They may be excitable, but they are brave and fine men, and they are not people who should be treated in this fashion. Peace can never be secured until the frontier question, the problem of the Frontier Province, is properly settled, and the Government should lose no time in establishing proper administration—an administration such as prevails in the Punjab, in the United Provinces and in Bengal—in the North West Frontier Province. I am absolutely sure that there will be no difficulty in establishing a proper administration there, and there ought to be no distinction made between the North West Frontier Province and any other province of India. (Applause.)

Mr. J. G. Acheson (Foreign Secretary): Sir, the last speaker has attempted in some way to confuse the motion before the House with the general question of the present administration of the North West Frontier Province. That question of the general administration of the North West Frontier Province may be discussed, but I submit, Sir, not on this

motion. This particular judicial proceeding, which is the subject of the motion, has no connection whatever with the general administration of the North West Frontier Province, whatever may be the rights and wrongs of the animadversions passed by the Honourable Member who has just spoken on that administration.

Maulvi Muhammad Yakub: This was an act of administration.

Mr. J. G. Acheson: This was an act of justice. This was an act of a judicial court, executed under the provisions of the existing law of India, as applicable to that portion of British India and to certain portions of the Punjab.

(Interruptions from several Honourable Members.)

Mr. President: Order, order. Let the gentleman go on please.

Mr. J. G. Acheson: Before I proceed further, there is one other point which I should like to deal with and that is that I have been challenged by the Honourable Member, who has just spoken, to refer to other cases of the same kind in other parts of India. The same Act does not apply to other parts of India, except to portions of the Punjab. Now, Sir, there are one or two special aspects of this case and of the facts which lie behind this legislation which I do not think are generally appreciated. Sir Denys Bray, in his speech on this subject when it was last debated in 1925, referred to the grim roll of his British official and non-official friends who had fallen victims to this ghastly crime. I have had special experience of the North West Frontier Province and I yield to no Member of this House in my appreciation of the qualities of the inhabitants of that province. Nor do I for one moment admit that the inhabitants of the North West Frontier Province as a whole are in any way inferior to the inhabitants in any other part of India. I wish there to be no misunderstanding on that point.

But, Sir, perhaps I may be excused if I refer to the list referred to by Sir Denys Bray in his speech to which I have referred. I find from a list here, that since the year 1921, 14 British officers and two ladies have been murdered in cold blood in the North West Frontier Province, in the discharge of their duties.

An Honourable Member: How many in Bengal?

Mr. J. G. Acheson: I am not dealing with Bengal at present. I venture to say, Sir, that that terrible list will be very hard to equal in any part of India. Indeed, I will go so far as to doubt whether that record will be equalled by the whole of the rest of India. So you have got to face this state of affairs. It is quite impossible for any Government to allow its officers to be subjected to this daily risk and terrible peril to their lives, without taking, if necessary, special measures to protect them. The problem before the Government in the past, the problem which it must face now and will continue to face in the future, is what is to be the best and the justest means of assuring that protection. I realise, Sir, that this Act which it has been necessary to enforce in this case—and no one regrets the necessity for having recourse to that Act and enforcing it more than the Government—is a stern Act. I quoted the figures only for the last decade, which amounted to 14 murders of officers, apart from others. Honourable

[Mr. J. G. Acheson.]

Members are aware that the condition of affairs which necessitated the Act, and which I still maintain necessitates the existence of that Act, goes far back into the past. As Sir Hari Singh Gour pointed out, the original Act was passed in 1867. The necessity for special legislation was felt as early as that and it has continued ever since. When the province was separated in 1901, it was realised that it was necessary to continue this special legislation to protect the officers of Government in the discharge of their duties on the frontier. From time to time since then, it has been necessary to use the Act to deal with flagrant cases of fanatical outrages on the lives of officers in the discharge of their duties. This is no rusty weapon, which has been produced from a mediaeval armoury, but has perforce been kept bright from time to time by use which has been forced upon the Government. The fact is that this menace, which takes its heavy toll of innocent lives, is due to peculiar conditions, which I am afraid are not fully understood and appreciated by Honourable Members opposite, who if they did appreciate them would view this matter in a different light. Year in and year out, our officers have to work across the border, or close to the border within reach of large numbers of fanatically minded persons, with arms ready to their hands and with a ready refuge to escape from the consequences of their crimes. I maintain, Sir, that there is upon the Government a strong obligation and a permanent obligation to take special measures to protect the lives of its own officers. That obligation it cannot escape. We may hope that in time conditions across the border will so improve—they have improved very greatly in Waziristan under the North West Frontier Province Administration in the last ten years—as to obviate the necessity for an Act of this kind. They may improve on the rest of the border in time. I personally am an optimist, but, Sir, the condition of these poor, ignorant people has not yet sufficiently progressed as to render it possible for Government to dispense with this protective legislation. Special measures are necessary for Government to afford this protection to their officers, which I maintain is their clear duty. What are those measures? Experience is the only guide, and experience has proved, since 1867, that justice should be swift and that there should be a minimum of publicity of the kind attaching to long drawn out judicial proceedings, which may be admirably adapted to more settled conditions than we find on the border. That is the lesson of hard experience, and I maintain that it holds good. The law, as I said, is admittedly stern, but the conditions which have necessitated it and still necessitate it are no less stern and harsh. I maintain, Sir, it is no lawless law, as has been said. It is administered by experienced regular courts, aided by assessors, and it is in the nature of the offence that there is no doubt as to the guilt of the accused person. The most sinister feature of this form of crime is that it is committed under the influence of a species of frenzy. The criminal murderer or the would-be murderer glories in his act, and it may be taken that in nine cases out of ten tried under this Act, there has not been the faintest shadow of doubt as to the guilt of the accused and I maintain, Sir, that however repugnant this Act may be to trained lawyers—and I can understand its repugnance to them—that in no case of this character has a miscarriage of justice actually occurred.

An Honourable Member: Why don't you have a trial?

Mr. J. G. Acheson: I have explained that. The fanatics acting under the influence of this form of frenzy, this contagious disease, are generally caught red-handed and should be promptly dealt with, as there is no room for doubt as to their guilt. I hope I have said enough to convince the House that though the law is a stern one, it is not an unjust law and it is not a lawless law.

Sir Cowasji Jehangir (Bombay City: Non-Muhammadan Urban): I really do wish that the debate which we have heard up to now had taken place in the West and was heard by men, who, though they may be ignorant of conditions in the East, would have been able to realise what sometimes does take place in this unhappy land. We know that this Act does exist. Nobody has contested the theory propounded by the Honourable the Home Member that the Act was legally put into force. But the fact remains, Sir, that in this year of grace, 1931, a man accused of murder

Some Honourable Members: Attempt at murder .

Sir Cowasji Jehangir: Can be tried on the day of the murder.

An Honourable Member: Attempt at murder.

Sir Cowasji Jehangir: And executed on the next day.

An Honourable Member: Early in the morning.

Sir Cowasji Jehangir: That fact remains, and the fact also remains that such execution can take place under a statute which has still not been repealed. (Hear, hear.) We are fully aware—I am fully aware—of the dangers that our officers encounter in the North West Frontier Province. I am also fully aware—and it has been my painful lot to be made more fully aware within the last two or three months—of the conditions that prevail in the North West Frontier Province; and I firmly believe that those conditions are aggravated by acts of the kind that my Honourable friend, the Home Member, has tried to justify (Loud applause *from the non-official Benches*). Sir, I have had talks with men born and brought up in the North West Frontier Province, and if my Honourable friends opposite believe that the influences of the West are not being felt in that province, well, they are mistaken. I have heard many Englishmen express considerable surprise at what is going on in that province. All evidence tends to show that a change is required; and if that change does not take place immediately, then in the very near future the position in the North West Frontier Province will be of a character which neither my Honourable friends opposite nor we on this side shall be able to cope with, (Hear, hear.) and therefore it is time we all woke up to the circumstances that prevail today and give up trying to justify the statutes and constitution that may have been justified.

Mr. J. G. Acheson: On a point of order, Sir,—the constitutional issue does not arise.

Sir Cowasji Jehangir: It does arise, Sir. Here is an adjournment of the House moved on action which admittedly has been taken under the protection of a law that exists today; and I am in order in discussing that statute which has been justified by the Honourable Members opposite. Sir, I therefore contend that if this adjournment motion is carried, it is not a censure against the Sessions Judge, who may have done his duty and put the Act into execution, but it is a strong expression

[Sir Cowasji Jehangir.]

of opinion from this part of the House (Hear, hear.) that these laws shall no longer exist. (Hear, hear.) Murder shall be punished by capital punishment. I am not one of those who have yet come to the conclusion that capital punishment should be abolished.

Mr. Gaya Prasad Singh (Muzaffarpur *cum* Champaran: Non-Muhamadan): You will have to change your opinion when you come across more incidents like this.

Sir Cowasji Jehangir: Murder shall be punished by capital punishment, but let that capital punishment take place after the accused has had reasonable time not only to defend himself but to consider and take advice. Who has ever contended that this man, who had been accused, should not have been punished or should not have been executed? I would like to see any Englishman in England stand up and justify execution on the day after the crime was committed; and if any Englishman would try and justify that act in England, nothing will surprise me more than if he succeeds; and it is only in the atmosphere of this country that we can, coolly and impartially, discuss such a question. If, Sir, it were in the West, the discussion would be stopped by the angry demonstrations and protestations of those before whom we discussed it. Sir, it is time that the North West Frontier Province was treated like every other part of India. My Honourable friend opposite has told us of the list of ghastly murders which were committed in the North West Frontier Province. Has he not heard of the ghastly murders committed in many parts of Europe? Does any Government, except Russia, try to justify execution the day after the crime has been committed? That Russia alone may try to justify. Are we here to justify the administration of justice in a way that Russia alone may try to justify today? Are we to place ourselves in the same position as Russia? Sir, in the South of Europe, crimes are committed on less, far less provocation than this. I have never heard yet in Southern Europe of any Government trying to justify execution on the day after the crime was committed. All I say is, "It may have been justified in the past; I am not here to deny or to approve it." All I say is, "Let it not continue in the future", and I would beg of Honourable Members opposite to change that mentality, of which we have seen some exhibitions today, and to realize that men in the North West Frontier Province are men of flesh and blood like the men in any other part of India; and that today they are feeling and thinking more acutely of their own position and their methods of government even than we in India; and if we have cause for dissatisfaction, we must fully realize that they have greater cause, and if we are here to protest and ask for reforms, who are we that we shall deny it to our friends in the North? I will therefore vote for this motion of adjournment as a protest against the continuance of a statute that will hang a man the next day after the crime has been committed.

Mr. M. Maswood Ahmad (Patna and Chota Nagpur *cum* Orissa: Muhammadan): Sir, I move that the question be now put.

Mr. President: I will consider it after Mr. Arthur Moore has spoken.

Mr. Arthur Moore: Sir, I listened very attentively to what my friend Sir Cowasji Jehangir had to say. I come from the West, and he told

me that if this happened in the West, the arguments put forward would not be listened to. Well, Sir, what I have been asking myself during this debate is what is the purpose of it. Who is it that we are sympathising with? Now, as regards this *Ghazi* who has been executed, I have seen something of the blood feud in various parts of the world, and I will say this that I think my sympathies with the executed man are at least as real as my friend Sir Cowasji Jehangir's, who said that he did not complain of his being executed but he would like it to have been done more slowly. As I understand him, the real grievance is that some elaborate process of law with the employment of lawyers, fees, a great rigmarole, and columns in the newspapers, was not gone through, and that then the man should have been executed at the end of a month or two months, or whatever it might be. I do not believe for one moment, Sir, that if it were possible to appeal to the executed man himself, this argument would make the slightest appeal to him. He immediately confessed his attempt to murder and said that he had nothing to plead; it was part of a blood feud which started, I think, 30 or 40 years ago, and had no reference whatever to Captain Barnes; he was prepared to pay the penalty, and he was quite certain that the blood feud would be carried on by his relations. Now, Sir, except in the case of the Camorra, and the Mafia, and the blood feud in Albania, which is exactly like the blood feud amongst the Pathans, no such custom or possibility exists ordinarily in Western Europe today. If it did exist, there would undoubtedly be special legislation to deal with it.

Sir Cowasji Jehangir: Did you say Western Europe?

Mr. Arthur Moore: Yes. In dealing with the blood feud where it exists in Europe—and it does exist in Albania—there is no question of employing the ordinary methods of law. Justice is summary; and it seems to me that the whole of this debate turns upon a distinction between elaborate forms of law and justice. No doubt it does not appear to us to be a very noble way of attempting to commit a crime, to come up with what is apparently a petition and then pull out a revolver at close quarters. But still in the case of the blood feud that is not considered a dishonourable proceeding, and this is part of the ordinary operation of a blood feud on the frontier. As I say, it is not a personal blood feud, and had nothing to do with Captain Barnes at all. Merely because the man's relatives had been killed in a former frontier war, it is considered an obligation of honour that he should come in and murder somebody. Now, Sir, how are you going to meet that by the ordinary forms of law? Personally, I do not believe it can be done, and I am not at all convinced that it is a passion for justice that has inspired some of the arguments today.

Several Honourable Members: The question may be now put.

Mr. President: I think I should allow a speech from Sir Abdul Qaiyum.

Nawab Sir Sahibzada Abdul Qaiyum: Sir, as I come from that unfortunate province in which the occurrence has taken place, I feel bound to say a few words on this matter. I am not going into the merits of the case, i.e., whether the man deserved death or transportation for life. I have

[Nawab Sir Sahibzada Abdul Qaiyum.]

no sympathy with criminals. I am only going to touch upon one aspect of the case about which I have been ignoring for the last ten years or more, and that is, the differential treatment meted out to the North West Frontier Province in every respect except where some concession or boons are to be expected. Sir, the law, as passed in 1867, was based on quite a different aspect of the circumstances then prevailing then on the frontier. The country had been recently annexed and people used to come forward and claim heaven for the murder of an innocent unbeliever. The word "fanatic" used in the enactment really applied to such religious fanatics, viz., men who claimed to go to heaven for the murder of an innocent unbeliever. But those days have passed long ago. During the last 30 years of my experience of that province very few cases, if any, of such religious fanaticism, pure and simple, have taken place there. The cases to which my Honourable friend the Foreign Secretary has referred are chiefly cases of a different nature; either an orderly for instance has quarrelled with his officer and killed him or some other dispute has arisen; or a search was probably made in a house to the disgrace of the women folk and a revenge was taken. Such cases have certainly taken place during the last 30 years, but to my knowledge no case of real religious fanaticism has taken place for a long time past. Well, Sir, fanaticism, as one of the speakers said, may be either of a political nature or of a religious nature. What we have to see to is that fanaticism of a political nature is very prevalent in the country nowadays and that we should guard against that kind of fanaticism rather than against the religious one, which is fast disappearing. The principle underlying the latter was to go to Heaven, which according to the religious fanatic was worth sacrificing one's life for, but the present day fanatic is going in for murder, cold-blooded murder, for a little worldly gain or loss, and this is the worst kind of fanaticism which must be checked. If the North West Frontier Province were to be on the same level with the rest of India, in every respect I should have had no grievance even if a little more severe punishment was inflicted on the inhabitants; that is, if instead of beating a man with four sticks, a dozen sticks were used, I would not mind it because we are fighting for equality of rights, so far denied to us and must make some sacrifice for it. But what surprises me in this, that punishments inflicted on us are out of all proportion to the treatment of offenders more violent and expert in the use of arms in other parts of India for similar and even graver offences. In this particular case too, Sir, there is a proviso in that Act according to which the execution of the man could have been postponed and I am one of those who would have advised taking advantage of that proviso so as to give the man an opportunity of thinking over the consequences of his misdeed and of impressing upon others that such acts are not very paying and sometimes cost one's life.

Maulvi Muhammad Yakub: Or his relations could have had an opportunity to apply for clemency.

Nawab Sir Sahibzada Abdul Qaiyum: The word "ghazi" is no doubt used there in the judgment to which our Honourable friend, the Home Member, has referred. But I would beg to point out that the word as

used by the man himself was explained by him in his statement when he said that he had come to take revenge for the life of his grandfather. That was his explanation of the word "ghaza" it was a religious "ghaza" for which the Regulation was originally enacted. To my mind anything which is in the form of a revenge of that kind could be termed as *ghaza* by an uneducated man from the trans-border area. What astonishes me most is that even the officer attacked according to the newspaper in my hands, the *Frontier Advocate*, which is the chief paper of the North West Frontier Province, was surprised when he learnt of the sentence passed in his case, and he is said to have sympathised with the man, and it is for such sportsman-like spirit that we must admire the frontier officer. I do not think that a convicted man can ordinarily expect any sympathy from the man whom he wanted to kill for no fault of his and yet the sentence passed seemed surprising even to the complainant.

Mr. Muhammad Yamin Khan: He could have been given transportation for life under section 2.

Nawab Sir Sahibzada Abdul Qaiyum: Yes. I think in a case like that transportation for life would have served the deterrent purpose much better.

Mr. Muhammad Yamin Khan: And it is allowed under the law.

Nawab Sir Sahibzada Abdul Qaiyum: Well, Sir, if the East is to be East and the West is to be the West and my friend Mr. Arthur Moore would like special laws to be retained for that unfortunate province, because people are taking their revenge for deeds done 30 or 40 years before, then I would have advised the Judge to put the man in a cage and hang the cage somewhere in a public place so that people might take a lesson from his plight to their advantage. To be brief, Sir, I am afraid that the law, as it is, is most unbecoming in the year of grace 1931 and should disappear from the statute-book, or be applied to the rest of India too, to give us the right of equality.

Several Honourable Members: The question may now be put.

Mr. President: I accept the closure and ask the House to vote on the question that the question be now put.

The motion was adopted.

Mr. President: The question that I have now to put is that the House do now adjourn.

The Assembly divided:

(While the division was proceeding it was observed that an Honourable Member—Mr. N. N. Anklesaria—was being drawn by the hand by some Honourable Members for the purpose of going to vote.)

Mr. President: Order, order. The Honourable Members cannot do that.

AYES 56.

Abdul Qaiyum, Nawab Sir Sahibzada.
 Abdur Rahim, Sir.
 Aggarwal, Mr. Jagan Nath.
 Anklesaria, Mr. N. N.
 Anwar-ul-Azim, Mr. Muhammad.
 Azhar Ali, Mr. Muhammad.
 Chandj Mal Gola, Bhagat.
 Chetty, Mr. R. K. Shanmukham.
 Das, Mr. A.
 Das, Mr. B.
 Dudhoria, Mr. Nabakumar Sing.
 Dumasia, Mr. N. M.
 Fazal Haq Piracha, Shaikh.
 Ghuznavi, Mr. A. H.
 Gour, Sir Hari Singh.
 Harbans Singh Brar, Sirdar.
 Hari Raj Swarup, Lala.
 Ibrahim Ali Khan, Lt. Nawab
 Muhammad.
 Ismail Ali Khan, Kunwar Hajee.
 Isra, Chaudhri.
 Jadhav, Mr. B. V.
 Jehangir, Sir Cowasji.
 Jog, Mr. S. G.
 Krishnamachariar, Raja Bahadur G.
 Lahiri Chaudhury, Mr. D. K.
 Maswood Ahmad, Mr. M.
 Misra, Mr. B. N.
 Mitra, Mr. S. C.

Muazzam Sahib Bahadur, Mr.
 Muhammad.
 Mujumdar, Sardar G. N.
 Neogy, Mr. K. C.
 Pandian, Mr. B. Rajaram.
 Pandit, Rao Bahadur S. R.
 Ranga Iyer, Mr. C. S.
 Rao, Mr. M. N.
 Reddi, Mr. P. G.
 Reddi, Mr. T. N. Ramakrishna.
 Sadiq Hasan, Shaikh.
 Sant Singh, Sardar.
 Sarda, Rai Sahib Harbilas.
 Sen, Pandit S. N.
 Shafee Daoodi, Maulvi Muhammad.
 Shah Nawaz, Mian Muhammad.
 Shahani, Mr. S. C.
 Singh, Kumar Gupteshwar Prasad.
 Singh, Mr. Gaya Prasad.
 Sitaramaraju, Mr. B.
 Sohan Singh, Sirdar.
 Suhrawardy, Dr. A.
 Thampan, Mr. K. P.
 Tun Aung, U.
 Uppi Saheb Bahadur, Mr.
 Walayatullah, Khan Bahadur H. M.
 Yakub, Maulvi Muhammad.
 Yamin Khan, Mr. Muhammad.
 Ziauddin Ahmad, Dr.

NOES 42.

Acheson, Mr. J. G.
 Ahmed, Mr. K.
 Alexander, Mr. W.
 Allah Baksh Khan Tiwana, Khan
 Bahadur Malik.
 Ayyangar, Diwan Bahadur V.
 Bhashyam.
 Bajpai, Mr. R. S.
 Banarji, Mr. Rajnarayan.
 Baum, Mr. E. F.
 Boag, Mr. G. T.
 Chatterjee, The Revd. J. C.
 Cocke, Sir Hugh.
 Crerar, The Honourable Sir James.
 Dalal, Dr. R. D.
 Fazl-i-Husain, The Honourable Khan
 Bahadur Mian Sir.
 Fox, Mr. H. B.
 French, Mr. J. C.
 Graham, Sir Lancelot.
 Gwynne, Mr. C. W.
 Hamilton, Mr. K. B. L.
 Hayman, Mr. A. M.
 Heathcote, Mr. L. V.

Hezlett, Mr. J.
 Jawahar Singh, Sardar Bahadur
 Sardar.
 Montgomery, Mr. H.
 Moore, Mr. Arthur.
 Morgan, Mr. G.
 Mukherjee, Rai Bahadur S. C.
 Parsons, Mr. A. A. L.
 Rafiuddin Ahmad, Khan Bahadur
 Maulvi.
 Rainy, The Honourable Sir George.
 Rajah, Rao Bahadur M. C.
 Roy, Mr. K. C.
 Sahi, Mr. Ram Prashad Narayan.
 Sams, Mr. H. A.
 Schuster, The Honourable Sir George.
 Scott, Mr. J. Ramsay.
 Sher Muhammad Khan Gakhar,
 Captain.
 Shillidy, Mr. J. A.
 Studd, Mr. E.
 Sykes, Mr. E. F.
 Tin Tut, Mr.
 Young, Mr. G. M.

The motion was adopted.

The Assembly then adjourned till Eleven of the Clock on Wednesday, the 25th February, 1931.

LEGISLATIVE ASSEMBLY.

Wednesday, 25th February, 1931.

The Assembly met in the Assembly Chamber of the Council House at Eleven of the Clock, Mr. President in the Chair.

QUESTIONS AND ANSWERS.

APPOINTMENTS IN THE NASIK ROAD SECURITY PRINTING, CURRENCY NOTE PRESS.

701. ***Maulvi Muhammad Yakub:** (a) Have Government prescribed or do they require any educational and technical qualifications for employment in the Nasik Road Security Printing, Currency Note Press? If so, what?

(b) Will Government be pleased to state the educational and technical qualifications of the following employees at the Nasik Road Security Printing India, Currency Note Press, and the Central Stamp Stores:

- (1) Mr. F. G. Cackett.
- (2) Mr. Gildersleves.
- (3) Mr. Rees Jones.
- (4) Mr. Frederick Jones.
- (5) Mr. Griffin, Apprentice, A grade, on Rs. 4 a day.
- (6) Mr. Skinner, Apprentice.
- (7) Mr. Smith.
- (8) Mr. Gaynor.
- (9) and (10). Besant brothers?

(c) Which of the above named gentlemen were engaged on 5-years' contracts and when is the term of their contracts to expire? Is there any idea of retaining their services beyond the period of their contracts? If so, why?

(d) Is it a fact that Mr. Allison, Senior Supervisor, Printing grade, was also engaged on a 5-year contract? When is the term of his contract to expire? Is it a fact that this gentleman is suffering from paralysis?

(e) Is it a fact that Messrs. Rees Jones, Frederick Jones and T. Jones are near relations?

Is it also a fact that Messrs. F. Griffin and Griffen, apprentices, are own brothers?

(f) Is it a fact that Mr. Corby, Estate Custodian, is a retired Police Inspector of 58 years of age and gets his pay in addition to his pension? What is the estimated rent of the house occupied by him and what rent does he pay?

(g) Is it a fact that Mr. Johnson, Junior Supervisor, was a Sergeant of the Poona Police, and was he dismissed or discharged from that post? What training has he got in printing and what is his present pay?

(h) Is it also a fact that Messrs. Peacock and Bulmer were formerly clerks in the Military Cantonment on Rs. 80 and 60, respectively? What is their present pay and what qualifications and training have they got in printing?

(i) Is it a fact that Mr. Weir, Junior Supervisor, Letter Press, was a Purser's clerk on a steamer and was suddenly made a printer? What is his qualification for the work? What is his present pay and the grade of his pay?

(j) By whom are all these appointments made?

The Honourable Sir George Schuster: The information is being obtained and the reply will be sent to the Honourable Member as soon as possible.

Maulvi Muhammad Yakub: Could the Honourable Member tell me how long it is since notice of this question was given?

The Honourable Sir George Schuster: I cannot tell my Honourable friend exactly how long notice there has been, but I am prepared to give him certain information, with your permission, Sir. I have as a matter of fact all the information about sub-headings (b) to (i) but not under sub-heading (a) of which we have had very little notice. If my Honourable friend had accepted my answer, I had intended to speak to him about this question, and as he has not accepted it and has asked me for further information, I should like to take this opportunity for making certain remarks. I have had a great number of questions on this particular subject, and I have reason to believe from the wording of the questions that they have been prompted by a number of anonymous letters which have been circulated to Honourable Members of this Assembly, and as a matter of fact which were discussed by me in the Standing Finance Committee when Sir George Willis attended as a witness before the Committee. What I was going to suggest to my Honourable friend was that although as I am sure he will recognise I am always most anxious to follow up any case where inquiry is desired and to give the fullest possible information to this House, I do feel certain objections to taking seriously anonymous communications which are sent to Honourable Members of this House. I would venture to suggest for future guidance and to take this opportunity of expressing a word of warning, that if anonymous letters are taken seriously it is going to interfere in a very detrimental way with Government administration. However willing we may be to investigate questions where there is real evidence making out a *prima facie* case, I think, and I am sure that Honourable Members, if they think over the matter, will agree with me, that to take seriously anonymous communications might be a most dangerous precedent. Having said that, Sir, I shall have no hesitation in giving the fullest possible information on all these questions. I am quite convinced that the implications of the anonymous letter which has been circulated are entirely incorrect, and I believe I was able to satisfy the Standing Finance Committee that that was so. I have taken this opportunity for making these observations and I am sure my Honourable friend will not take anything I have said amiss. I feel that I ought to make our position quite clear in this matter.

Maulvi Muhammad Yakub: I am thankful to the Honourable the Finance Member, Sir, and I must inform him that we do not generally act on anonymous letters. Of course for information of events and things that happen in this country Honourable Members of this House must rely upon somebody to give them information, because without getting that information they cannot put any questions. Sometimes it is quite natural that the information which we receive may not be quite correct, in the same way that the information which the Treasury Benches receive from the Departments under them may not be quite correct

Mr. C. S. Ranga Iyer: On a point of order, Sir. I should like to know whether at question time a long speech like this is permissible?

Mr. President: It is not permissible, but there are special occasions when a little latitude may be allowed.

Maulvi Muhammad Yakub: I did not want to make a speech, but as the Honourable the Finance Member made a remark, I had to reply to him and tell him that we do not act upon anonymous letters, and that we act on certain information which we get, and that it is natural that that information may sometimes be somewhat exaggerated or incorrect. However, I am very thankful to him for the promise which he has made, and I hope that he will kindly look into the matter and supply the information to the House as early as possible.

The Honourable Sir George Schuster: I have already looked into the matter, and I will supply the fullest possible information to the Honourable Member.

PROBATIONARY PERIOD OF RECRUITS OF THE SUPERIOR REVENUE ESTABLISHMENT OF STATE RAILWAYS.

702. ***Mr. Jagan Nath Aggarwal:** (1) Will Government be pleased to state:

(a) if the period of probation of recruits to the Superior Revenue establishment of State Railways Transportation (Traffic) and Commercial Departments before 1926 was two years; and

(b) if the period of probation has since 1926 been increased from two to three years?

(2) If the replies to parts (a) and (b) above are in the affirmative, are Government prepared to consider the question of reduction of the probationary period? Is it not a fact that regular training is now given by the Railway Staff College which did not exist in the past?

Mr. A. A. L. Parsons: 1. (a) and (b). Yes.

2. The period of training was given careful consideration when the regulations under which recruitment is now made were framed, and it was decided that provision should be made for a course of training extending over three years, including courses of instruction at the Railway Staff College and in area schools.

Government are alive to the desirability of utilising the services of probationers in working posts as early as practicable, and the question of reducing the probationary period is already under examination.

RAILWAY PASSES OF JUNIOR GAZETTED RAILWAY OFFICERS.

708. ***Mr. Jagan Nath Aggarwal:** (1) Will Government be pleased to state :

- (a) if it is a fact that the gazetted officers of the Indian State Railways have hitherto enjoyed the minimum privilege of having a permanent pass for free travel for themselves and their families over their home-lines;
- (b) if it is a fact that such a pass can be used only by an officer holding it and not by his family alone and therefore its use by him outside his section is restricted only to the period for which he can get leave;
- (c) if it is a fact that such a pass saves considerable time, labour and money which would otherwise be necessary for issue of check passes, and
- (d) if it is a fact that it is now contemplated to deprive the junior officers, now mostly Indians, of this long-established privilege?

(2) If the answers to parts (a) and (d) above are in the affirmative, will Government be pleased to give reasons for the contemplated change?

(3) Are Government aware that such withdrawal of privileges is causing serious discontent among the Indian employes of State Railways who are mostly affected by the change and are Government prepared to consider the retention of such privileges?

Mr. A. A. L. Parsons: (1) (a). Gazetted officers of the State-managed railways have hitherto been allowed metal passes entitling them and their families also, if accompanying them, to travel free on the home line.

(b) Yes, but when an officer is proceeding on leave, he is ordinarily required to surrender his metal pass.

(c) I would not say that the saving in time, labour and money is considerable.

(d) The proposals under consideration contemplate a restriction in the issue of metal passes to officers of and above the rank of Deputy Heads of Departments, officers below that rank being given card passes for themselves.

(2) The reasons for the contemplated change are the possibility of a metal pass being used by a person not entitled to it and the necessity for restricting the number of metal passes issued, as it was found that a large number of those issued had been lost.

(3) The answer to the first query in this part of the question is in the negative. For the reasons given in my reply to part (2) of the question, the reply to the second query in this part of the question is also in the negative.

RAILWAY PASSES FOR ANGLO-INDIAN AND INDIAN UPPER SUBORDINATE RAILWAY STAFF.

704. ***Mr. Jagan Nath Aggarwal:** Will Government be pleased to state if the European and Anglo-Indian upper subordinate railway staff enjoy more liberal privileges in the matter of passes such as special Christmas passes, occasional passes, and institute passes than their fellow Indian upper subordinates?

Mr. A. A. L. Parsons: The free pass rules of the Eastern Bengal, East Indian, Great Indian Peninsula and North Western Railways do not show any discrimination between European and Anglo-Indian upper subordinates on the one hand and Indian upper subordinates on the other, in the matter of special Christmas passes, occasional passes and institute passes. Copies of the free pass rules of other railways are not readily available, but if the Honourable Member will let me know whether his question has reference to any other railway, I will have enquiries made and will let him know the result.

A WASTEFUL PURCHASE ON THE MADRAS AND SOUTHERN MAHRATTA RAILWAY.

705. ***Mr. B. Rajaram Pandian** (on behalf of Mr. P. G. Reddi): (a) Has the attention of Government been drawn to an article entitled "Yet another Expert" in its issue of the 30th September, 1930, of the *Indian Railways Magazine*?

(b) Is it a fact that in the Madras and Southern Mahratta Railway a gas producing plant was purchased in 1915 and left unused for nearly ten years?

(c) Is it a fact that when it was put into use it was found to be unworkable and treated as scrap?

(d) Will Government be pleased to state the amount recovered by the sale of it?

(e) Will Government be pleased to state as to who the officer was that was responsible in causing the loss and if Government have taken any steps to recover any part of such loss from the officer concerned?

Mr. A. A. L. Parsons: (a) Yes. By the Honourable Member's question.

(b) to (e). I am making enquiries and will let the Honourable Member have a reply when the information reaches me.

INTERMEDIATE CLASS FARES ON THE SOUTH INDIAN RAILWAY.

706. ***Mr. B. Rajaram Pandian** (on behalf of Mr. P. G. Reddi): (a) Are Government aware that the difference between the intermediate class fare and the second class fare on the South Indian Railway by ordinary trains is one and a half pies per mile?

(b) Do Government propose to direct the Agent of the South Indian Railway to reduce the intermediate class fares to the level of intermediate class fares on the Madras and Southern Mahratta Railway?

Mr. A. A. L. Parsons: Intermediate class accommodation is provided on the South Indian Railway only on the metre gauge Boat Mails and the fare is 7½ pies per mile. The second class fare on these mail trains is 12 pies per mile for the first 150 miles and 9 pies per mile for additional distances, so the difference is more than 1½ pies a mile.

Government consider that the Agent of the Railway is the best judge of the fare which should be charged. I am having a copy of the Honourable Member's question and of my reply sent to him.

INQUIRIES INTO RAILWAY ACCIDENTS.

707. ***Mr. B. Rajaram Pandian** (on behalf of Mr. P. G. Reddi): (a) Has the attention of Government been drawn to the remarks of Mr. E. B. Robie, Senior Inspector of Railways, in connection with the collision between a passenger train and a motor bus near Dhawar?

(b) With reference to the assurance given by Government in the Assembly in reply to the resolution of Mr. Ghaznavi that they would address the Local Government on the desirability of associating non-officials in all enquiries into accidents attendant with loss of life to the public, will Government be pleased to state whether the views of the Local Government have been obtained? If so, will Government be pleased to lay them on the table?

(c) Are Government prepared to take immediate steps to adopt a procedure similar to that adopted in England in such enquiries?

Mr. A. A. L. Parsons: (a) I think the Honourable Member's question refers to an accident near Dhariwal station on the Amritsar-Pathankot branch of the North Western Railway on 20th June, 1929, and, if so, the reply is in the affirmative.

(b) Local Governments were addressed on the 16th September, 1930, but replies have not yet been received from all of them.

(c) Government do not propose to take further steps than those which the Honourable Sir George Rainy promised to take in reply to the Resolution of Mr. A. H. Ghuznavi referred to in part (b) of this question.

REDUCTION OF THE SALARY OF A CLERK ON THE SOUTH INDIAN RAILWAY.

708. ***Mr. B. Rajaram Pandian** (on behalf of Mr. P. G. Reddi): (a) Has the attention of Government been drawn to an article entitled "Reduced for the sake of uniformity" at page 230 of the *Indian Railways Magazine* in its issue of 1930 October?

(b) Is it a fact that on the South Indian Railway at Madras a graduate clerk appointed on Rs. 35 and who had drawn two annual increments was reduced suddenly to Rs. 32 on the ground that it was later on decided to start graduates on a lower salary?

(c) Are Government prepared to direct the Agent of the South Indian Railway to inquire into such cases and see that later decisions may not prejudice men already in service?

- Mr. A. A. L. Parsons:** (a) Yes, by the Honourable Member's question.
 (b) This is substantially what is stated in the article referred to by the Honourable Member. Government have no other information.
 (c) Government do not propose to interfere as the matter is one entirely within the discretion of the Company.

APPOINTMENT OF A PERSONNEL OFFICER ON THE MADRAS AND SOUTHERN MAHRATTA RAILWAY.

709. ***Mr. B. Rajaram Pandian** (on behalf of Mr. P. G. Reddi): Will Government be pleased to state:

- (a) if it is a fact that the Madras and Southern Mahratta Railway has recently appointed an officer called Personnel Officer and, if so, will Government be pleased to state what the special qualifications of this officer are for the post to which he has been appointed; and whether before this appointment he was a Steward on a race course;
 (b) what his pay is and the duties he has to perform;
 (c) whether the Standing Finance Committee for Railways was consulted in the matter of this appointment, and whether this officer is deputed to deal with all cases of appeals from railway subordinates against their discharge or dismissal;
 (d) whether the Agent is the final authority in all such appeals, and whether the appeals have all to be looked into and decided with all his wisdom and experience;
 (e) whether this officer refers such cases back to the very officer against whose orders the appeal is preferred and he is guided by those remarks?

Mr. A. A. L. Parsons: (a) The answer to the first part is in the affirmative; as regards the second part, I have called for information from the Agent, Madras and Southern Mahratta Railway, and will communicate with the Honourable Member on its receipt.

(b) The answer is contained in my reply to question No. 493, asked by Mr. B. Sitaramaraju on the 12th February, 1931.

(c) and (d). The answer to the first part of (c) is that the Standing Finance Committee for Railways was not consulted as the post was created on a purely temporary basis. I have called for the information asked for by the Honourable Member in the second part of (c) and in part (d) of his question from the Agent, and will communicate with him on its receipt.

(e) Government have no information, but will bring this part of the Honourable Member's question to the notice of the Agent, Madras and Southern Mahratta Railway.

FIRING ON A MOB IN PESHAWAR CITY.

710. ***Shaikh Sadiq Hasan:** (a) Will Government be pleased to state if it is a fact that on the morning of the 23rd April, 1930, in Peshawar City the Deputy Commissioner ordered the armoured cars to rush against a perfectly peaceful assembly of citizens, in spite of the fact that the City

Magistrate, K. B. Saadullah Khan assured the Deputy Commissioner that the occasion did not demand the reinforcement of the police or the aid of the military?

(b) Is it also a fact that firing was continued for several hours?

(c) Will Government be pleased to state the number of persons killed and the number wounded as a result of (a) and (b)?

(d) What are the reasons that led them to open fire?

(e) Is it a fact that neither the police nor the military authorities made an attempt to give medical aid to the wounded?

(f) Is it a fact that five Khilafat Ambulance Volunteers with Red Cross badges, who were engaged in taking away the dead and injured persons for necessary attention, were also shot dead without even a warning?

(g) Is it a fact that the officer in charge of the Lady Reading Hospital refused to admit the wounded persons for treatment?

(h) Is it a fact that, after the occurrence, several dead bodies were removed by police and military authorities to an unknown destination?

The Honourable Sir James Crerar: (a) to (e). The Honourable Member is referred to the Report of the Peshawar Disturbances Enquiry Committee, consisting of Suleiman and Panckridge, J. J., in which these points are dealt with.

(f) I have no information that would support the suggestion, but am making enquiries and will give the Honourable Member a reply in due course.

(g) I have no information to this effect. On the contrary the Committee were favourably impressed with the care and attention the patients received in that hospital.

(h) No. I would invite his attention to para. 4, section VIII of the Committee's Report.

Mr. Gaya Prasad Singh: Is it not a fact that Mr. Justice Suleiman, in the course of the enquiry, held that it was the presence of the armoured car and trampling down of some men that accentuated the trouble in Peshawar on that occasion?

The Honourable Sir James Crerar: I do not recollect any passage in the Report which would bear out such a contention.

Maulvi Muhammad Yakub: Was any action taken by the Government of India on the Suleiman Committee's Report?

The Honourable Sir James Crerar: Yes.

Maulvi Muhammad Yakub: Will the Honourable Member inform the House what action was taken by the Government?

The Honourable Sir James Crerar: I shall certainly do so if the Honourable Member will give me notice.

Dr. Ziauddin Ahmad: Did the Government accept the majority report or the minority report?

Dr. A. Suhrawardy: Where was the majority report and the minority report in a committee of two?

The Honourable Sir James Crerar: I do not know what the Honourable Member means by a majority report and a minority report in a committee of two.

Dr. Ziauddin Ahmad: Mr. Justice Suleiman was the Chairman and there were two other members.

Some Honourable Members: Only one other member.

Dr. Ziauddin Ahmad: There were no doubt only two members, but the opinion of Mr. Justice Suleiman, who was also the Chairman, is the opinion of the majority of the Committee.

The Honourable Sir James Crerar: I am aware that the Honourable Member is a distinguished mathematician, but for my part I cannot understand how one in a committee of two can constitute a majority.

Mr. Gaya Prasad Singh: Is it not a fact that Mr. Justice Suleiman held that the firing continued and it was directed towards the housetops for no sufficient reason, for a long time?

The Honourable Sir James Crerar: Mr. Justice Suleiman did make some comments on that point.

Dr. Ziauddin Ahmad: The Honourable Member referred to some enquiries that he had made. Did he make enquiries about the incidents that happened subsequent to the 23rd April?

The Honourable Sir James Crerar: The Committee dealt primarily with the occurrences of 23rd April last.

OCCUPATION OF PESHAWAR BY THE MILITARY FORCES.

711. ***Shaikh Sadiq Hasan:** Will Government be pleased to state:

- (a) the number of times Peshawar was occupied by the military from April 23rd, 1930, to June, 1930, and the duration of each occupation; and
- (b) the number of times and the names of villages and towns adjoining Peshawar which were occupied by the military during the same period?

Mr. J. G. Acheson: With your permission, Sir, I will answer this and the next question together. The information is being obtained and will be communicated to the Honourable Member in due course.

PUBLICATION AND CIRCULATION BY THE INSPECTOR GENERAL OF POLICE OF AN ACCOUNT OF THE PESHAWAR RIOT.

†712. ***Shaikh Sadiq Hasan:** (a) Will Government be pleased to state whether there was any organised refusal on the part of landholders in the North-West Frontier Province to pay taxes since the commencement of the civil disobedience movement?

(b) Is it a fact that after the Peshawar outrages Mr. F. C. Isemonger, Inspector General of Police, published an account of the tragedy and circulated it privately amongst officials and in certain other circles?

†For answer to this question see answer to question No. 711.

(c) If the answer to part (b) is in the affirmative, will Government be pleased to state whether the expenditure for this publicity was met out of Government funds?

(d) In connection with parts (b) and (c) will Government be pleased to state under what rules Government servants are permitted to carry on such propaganda?

Maulvi Muhammad Yakub: Are the Government aware that there is a great deal of agitation in the minds of Indians on the question of the Peshawar atrocities, and, if so, will Government be pleased to furnish this information to the House instead of informing only an individual Member of this House?

Mr. J. G. Acheson: Certainly.

Dr. Ziauddin Ahmad: This is a matter of very great importance, and I should have thought that the authorities in the North West Frontier Province would have consulted the Central Government. I cannot understand what information is being collected.

Mr. J. G. Acheson: The questions asked raise numerous points and contain numerous and grave allegations, which obviously call for very careful enquiry, and I think that it would be improper for me to attempt to answer them without having ascertained the full detailed facts. I hope that the Honourable Member will appreciate that every effort is made to answer these questions in time, but it is not in all cases possible owing to the great pressure which exists.

Sir Abdur Rahim: Does the House understand from the Honourable Member that the Government have not got the information which is asked for in these questions, in their possession at present?

Mr. J. G. Acheson: Not the full information, Sir.

IMPRISONMENT OF MR. PIR BAKSH, AN ELECTED MUNICIPAL COMMISSIONER.

713. ***Shaikh Sadiq Hasan:** Will Government be pleased to state whether it is a fact that Mr. Pir Bakhsh, M.A., I.L.B., elected Municipal Commissioner, was asked to furnish security of rupees ten thousand under section 108 of the I. P. C. for moving a Resolution in the Municipality to change the names of Kissa Khani Bazar and Kabuli Gate to "Shahidi Bazar" and "Khuni Gate"? Was he sentenced to one year's imprisonment on his refusal to pay the security?

Mr. J. G. Acheson: This gentleman was required to give security under the provisions of section 108, Criminal Procedure Code. The grounds mentioned were not the grounds on which security was demanded.

DEMOLITION OF A MONUMENT ERECTED BY THE MUNICIPAL COMMITTEE OF PESHAWAR, AND IMPRISONMENT OF MR. ALLAH BAKSH YUSIFI.

714. ***Shaikh Sadiq Hasan:** (a) Will Government be pleased to state whether it is a fact that one Mr. M. Ashiq Husain was compelled, at the point of the bayonet, to demolish a monument erected by the Municipal Committee of Peshawar in memory of the unarmed citizens who were killed by the Military firing?

•. (b) Will Government be pleased to state the crime for which Mr. Allah Bakhsh Yusifi is undergoing imprisonment?

Mr. J. G. Acheson: (a) The information is being obtained and will be furnished to the Honourable Member in due course.

(b) Mr. Allah Bakhsh Yusifi is under trial for an offence under section 124-A, Indian Penal Code, which is non-bailable.

Maulvi Muhammad Yakub: Did the Government call for any report from the Local Administration of the North West Frontier Province after the events of April last?

Mr. J. G. Acheson: Reports have been called for, arising out of these questions, but as to whether any general report of the nature referred to was called for I cannot answer without notice.

Maulvi Muhammad Yakub: Was any report called for by the Government of India from the Local Administration regarding the events of April last?

Mr. J. G. Acheson: I should have notice of that question.

Sir Abdur Rahim: The Honourable Member mentioned one Allah Baksh Yusifi, but the question is with reference to one Ashiq Husain.

Mr. J. G. Acheson: I was answering part (b) of the question.

A SHOOTING TRAGEDY IN PESHAWAR.

715. ***Shaikh Sadiq Hasan:** (a) Is it a fact that during the sitting of the Suleman Inquiry Committee on the 31st of May, 1930, Sardar Ganga Singh, who was going in a *tonga* with his wife and two children, was shot at, and, as a result, both the children were killed and his wife wounded? If the reply is in affirmative, what steps did Government take to punish the person responsible for this outrage?

(b) Is it a fact that Mr. Caroe, the Additional Deputy Commissioner, gave written permission for the two dead children to be taken in a procession to the cremation ground?

(c) Is it also a fact that when the procession was half way to the cremation ground a party of British soldiers opened fire on the processionists killing twelve and wounding twenty-two persons?

Mr. J. G. Acheson: The facts regarding this incident are stated in the reply given to Mr. S. C. Mitra's starred question No. 91 on the 15th July last to which I would refer the Honourable Member.

ALLEGED ILL-TREATMENT OF VOLUNTEERS OF THE KHUDAI KHIDMATGAR MOVEMENT IN CHARSADDA.

716. ***Shaikh Sadiq Hasan:** (a) Are Government aware that the volunteers of the Khudai Khidmatgar movement in the Charsadda Sub-Division of Peshawar district were subjected to inhuman treatment by the police while they were peacefully engaged in picketing liquor shops in August, 1930?

(b) Are Government aware of the allegation that the private parts of some of the volunteers were squeezed by a British officer true? If so, is the allegation true?

(a) If the answer to part (b) is in affirmative, what action did Government take against the said officer?

(d) Is it a fact that a charitable hospital by public subscription was opened under the auspices of the Afghan Jirga under the supervision of Capt. Khan Sahib *ex-I. M. S.*, to render medical aid to the injured volunteers who could not obtain other medical relief?

(e) Is it a fact that section 144, I. P. C., was applied to this hospital and the hospital was ordered to be closed?

(f) Is it a fact that the Assistant Commissioner, Charsadda, while serving a notice on the Afghan Jirga Hospital, gave an undertaking to treat the injured volunteers in the Government Hospital?

(g) Is it also a fact that when 46 wounded Volunteers were removed to the Government Hospital on the 5th August 1930, on the understanding arrived at with the Assistant Commissioner to the effect that they would be treated there, they were turned out of the hospital by Colonel Brierly, the Chief Medical Officer, North West Frontier Province who refused to treat them?

(h) Is it a fact that several volunteers of the Afghan Jirga who were injured and were in a precarious condition were declared members of an unlawful assembly and arrested under section 40 of the Frontier Regulation Act and jailed for three years?

Mr. J. G. Acheson: (a) The allegation has been found on enquiry to be entirely unjustified.

(b) There is no truth whatever in this allegation.

(c) Does not arise.

(d) to (g). I would invite the Honourable Member's attention to the reply given by the Honourable the Home Member on the 27th January to question No. 39.

(h) I am enquiring into the facts and will give the Honourable Member a reply in due course.

Shaikh Sadiq Hasan: May I enquire as regards (b) of this question whether the Government have enquired from Mr. Jamieson, Assistant Superintendent of Police, Charsadda?

Mr. J. G. Acheson: Enquiries were made from the Local Administration and the answer is as I have stated.

Sir Abdur Rahim: Is Mr. Jamieson now in India, and is he in office?

Mr. J. G. Acheson: I would like notice of that question.

Shaikh Sadiq Hasan: I would like to ask the Honourable Member whether, if those men who had been so ill-treated were produced before him, he would make enquiries from them?

Mr. J. G. Acheson: I think this question contains an inference.

Dr. Ziauddin Ahmad: Has the Honourable the Foreign Secretary seen the certificate given by Captain Khan Sahib, *ex-I. M. S.*, who treated these patients?

Mr. J. G. Acheson: I will be glad to look into any additional information which may be given by any Honourable Member in connection with any of these allegations.

Mr. Gaya Prasad Singh: May I know by what method the Local Administration carried out this enquiry?

Mr. J. G. Acheson: They carried out a full enquiry by the usual official method.

Mr. Gaya Prasad Singh: Was there any non-official associated in this enquiry, and was it in the nature of a public enquiry?

Mr. J. G. Acheson: This was an enquiry carried out, according to the recognised official methods, by the Local Administration through the proper channel.

Dr. Ziauddin Ahmad: Will Government be pleased to lay all the papers connected with this enquiry on the table of the House?

Mr. J. G. Acheson: I would require notice of that question.

MILITARY BLOCKADE OF VILLAGES IN THE PESHAWAR DISTRICT.

717. ***Shaikh Sadiq Hasan:** (a) Is it a fact that the following villages in the Peshawar District were blockaded by the military for nearly three weeks:

Charsadda, Prang, Babara, Sangi, Utmanzai, Harichand, Mainay, Topaiy, Maghiz, Torder, Manery, Sawabi, Dargai, Yarohusain, Lulandai, Nowdeh, Kalukhan, Jamalghari and Adena?

(b) Is it a fact that during the blockade in the following villages Shabkadar, Mainay, Marghur, Torder, Manery, Dargai, Yarohusain and Jamalghari the military forces looted the houses, burnt their grain, destroyed household utensils, cut down crops, and carried away the cattle belonging to the villagers?

(a) If so, what action did Government take to (i) punish the soldiers concerned and (ii) to pay compensation to the victims?

(d) Are Government aware that the houses of peaceful inhabitants, including some Numberdars inhabiting the Administered Districts, were burnt to ashes and that no one was allowed to quench the fire?

(e) Is it a fact that amongst the houses set fire to are the houses belonging to (i) Ghulam Mohd. Khan, of Lond-Khwar, Mardan Sub-Division, (ii) Malik Mosam Khan of Takar, Mardan Sub-Division, and (iii) Hasham Gul Khan, of Takar, Mardan Sub-Division?

(f) Is it a fact that many unarmed persons in Takar who came to extinguish the fire set up by the Military with their Machine Guns and Rifles, were wounded and some killed?

(g) Will Government be pleased to state the number of men (i) killed and (ii) wounded?

(h) Are Government aware of a report made about the Takar massacre to the effect that the firing was ordered in response to the shots fired by the public on the soldiers? If so, is the report correct?

(i) Will Government be pleased to state what was the number of casualties on the Government side as a result of the shots fired by the public?

Mr. J. G. Acheson: The information required is being collected and will be furnished to the Honourable Member in due course.

Maulvi Muhammad Yakub: Will the information be laid on the table of the House instead of being sent to an individual Honourable Member?

Mr. J. G. Acheson: Yes.

Mian Muhammad Shah Nawaz: When will it be laid on the table of the House? Approximate time, please?

Mr. J. G. Acheson: As soon as it is received.

Mian Muhammad Shah Nawaz: When do you expect that it will be received?

Maulvi Muhammad Yakub: Not during the present Session of the Assembly.

Mr. J. G. Acheson: It is impossible for me to give the exact date, but I will see that there is as little delay as possible.

Mian Muhammad Shah Nawaz: Will it be given during the present Session of the Assembly?

Mr. J. G. Acheson: I hope so.

APPOINTMENT OF MUSLIMS IN THE SECURITY PRINTING DEPARTMENT.

718. ***Mr. M. Maswood Ahmad:** (1) (a) will Government kindly state whether it is a fact:

(i) that there is not a single Muslim gazetted officer drawing Rs. 200 and upwards per mensem in the Security Printing Department; and

(ii) that there is only one Muslim apprentice in the Security Printing and Currency Note Press?

(b) Will Government please state:

(i) whether these posts are advertised in the leading newspapers of India; if so, in which papers; and

(ii) the number of Muslims who actually applied for these posts and what their qualifications were?

(c) What steps do Government contemplate taking to see that, when future vacancies occur, the claims of Muslims are not overlooked?

(2) Will Government please state what was the total amount spent on (a) the gazetted officers drawing Rs. 200 and more per mensem of the Security Printing Department, and (b) the apprentices in the Security Printing and Currency Note Press, and out of this amount how much was spent upon the Muslims?

The Honourable Sir George Schuster: 1. (a) (i). Yes. There are only three gazetted officers in the Security Printing.

(ii) Yes.

(b) (i). The practice hitherto has been that vacancies have not been advertised in the newspapers unless several have occurred at one time. and that casual vacancies, which cannot be met by promotion in the establishment, are filled by selection from the long waiting list of applicants. There have been a great number of applicants from all parts of the country.

Ten vacancies in the grades of Junior and Assistant Supervisors were advertised in 1928.

(b) (ii). The number of applicants for the ten posts advertised in 1928 was, in round figures, 6,000, of whom 201 were Muslims.

(c) If suitable educated Muslims are forthcoming when vacancies occur, their claims are duly considered. The Master, Security Printing, is aware of the general orders of the Government of India regarding the employment of members of minority communities.

2. (a) The monthly pay drawn by the gazetted officers is Rs. 6,725.

(b) The monthly pay drawn by the apprentices is Rs. 1,392, of which Rs. 96 is the pay of the Muslim apprentice.

DIWANSHIP OF THE DURGAH KHAWAJAH SAHEB IN AJMER.

719. ***Mr. B. Rajaram Pandian:** (a) Is it a fact that the Diwanship of the Durgah Khawajah Saheb in Ajmer is an office descendable in direct male line of the revered Khawajah Moinuddin Chishty?

(b) Is it a fact that the present Diwan Ale Rasul is not a person in the direct line of the Khawajah but a convert to Islam?

(c) Is it a fact that his geneology as recorded in the Gurgaon revenue records differs from that recorded at Ajmer, where the Khawajah's geneology is recorded?

(d) Is it a fact that Government refused to accord permission to a suit being filed to prove the invalidity of Mr. Ale Rasul's claim to Diwanship and that without such permission no suit can be filed?

(e) Are Government aware that there is great public dissatisfaction with the selection by Government of Mr. Ale Rasul as Diwan because of his not belonging to the Khawajah's family?

(f) Is it a fact that the rival claims of the other members of the Khawajah's family are heard in a court of law and that Mr. Ale Rasul has never gone to court to prove his claim?

Mr. J. G. Acheson: (a) Yes.

(b) No.

(c) Government have no information to that effect.

(d) No.

(e) No.

(f) Government have no information of any proceedings in a Court of Law with regard to Mr. Ale Rasul's title to the Diwanship.

Maulvi Muhammad Yakub: Will it be desirable for the Government to interfere in the internal administration of the shrines to which religious sanctity is attached?

Mr. J. G. Acheson: That seems to me a matter of opinion.

Maulvi Muhammad Yakub: I did not ask for opinion. Is it the declared policy of Government to interfere in the internal administration of the shrines to which religious sanctity is attached?

Mr. J. G. Acheson: I am afraid I should require notice of that question.

INDIAN EMIGRANTS TO THE FEDERATED MALAY STATES.

720. ***Mr. B. Rajaram Pandian:** Will Government be pleased to state:

- (a) the number of emigrants from British India to the Federated Malay States in the years 1928-29 and 1929-30;
- (b) how many emigrants returned to India in 1928-29 and 1929-30 after serving their contracted period;
- (c) how many persons have been detained in the estates of the said Federated Malay States over and above the contracted period;
- (d) whether any complaint has been received as to their detention beyond their contracted period; and
- (e) if the answer to part (d) is in the affirmative, what action Government have taken in the matter?

The Honourable Khan Bahadur Mian Sir Fazl-i-Husain: With your permission, Sir, I shall reply to questions Nos. 720 and 721 together.

(a) and (b). A statement giving the statistical information asked for in parts (a) and (b) of the two questions is laid on the table. As regards (b), separate statistics of Indian labourers returning from Ceylon or the Federated Malay States are not available, and the figures given in the statement are of deck passengers, the majority of whom are probably labourers who returned from these two countries in 1928 and in 1929. Moreover, it is not clear what the Honourable Member's idea of "contracted period" of service is. Under the relevant laws of the Federated Malay States and of Ceylon any engagement or contract to labour for a period exceeding one month or for more than 30 days' work is void. The presumption, therefore, is that Indian labourers who return to India do so after completing their contract of service. At any rate, Government have no information to the contrary.

(c) and (d). None.

(e) Do not arise.

Statement showing the number of emigrants from British India to the Federated Malay States, and Ceylon and the number of emigrants who returned to India from those two countries during the years 1928 and 1929.

	Number of emigrants from British India to		Number of deck passengers who returned to India from	
	Federated Malay States.	Ceylon.	Federated Malay States.	Ceylon.
1928	18,343	83,858	64,000	93,596
1929	56,223	58,362	54,000	101,228

INDIAN EMIGRANTS TO CEYLON.

†721. ***Mr. B. Rajaram Pandian:** Will Government be pleased to state:

- the number of emigrants to Ceylon in the years 1928-29 and 1929-30;
- how many returned to India in the said period after serving their contract;
- how many have been detained beyond their contracted period against their wish;
- whether any complaints have been received from the emigrants so detained; and
- if the answer to part (d) is in the affirmative, what steps do Government propose to take in order to meet their grievances?

BRITISH OFFICERS EMPLOYED IN THE NEGAPATAM AND DHANUSHKODI QUARANTINE CAMPS.

722. ***Mr. B. Rajaram Pandian:** Will Government be pleased to state:

- how many British officers are employed in Negapatam and Dhanushkodi Quarantine Camps;
- whether they have received any complaints from the emigrants regarding their treatment in the said Camps; and
- whether they propose to take any steps to remedy the defects?

The Honourable Khan Bahadur Mian Sir Fazl-i-Husain: (a) There is no Quarantine Camp at Negapatam. The Honourable Member presumably refers to the place of accommodation at Negapatam established for Indian emigrants under rule 31 of the Indian Emigration Rules, 1923,

†For answer to this question, see answer to question No. 720.

and the Ceylon Government Quarantine Camp at Mandapam. The staff at Negapatam is entirely Indian and that at Mandapam, partly Indian and partly Ceylonese.

(b) None.

(c) Does not arise.

DISCRIMINATION IN THE APPLICATION OF QUARANTINE REGULATIONS.

723. ***Mr. B. Rajaram Pandian:** (1) Will Government be pleased to state:

(a) whether the Quarantine Regulations are applied to the third class passengers;

(b) whether the said Regulations are applied to the first and second class passengers; and

(c) if the answer to part (a) is in the affirmative, and part (b) in the negative, will Government be pleased to state the reason why?

(2) Will Government be pleased to state if they propose to consider the advisability of doing away with the discrimination in regard to the application of the Quarantine Regulations for third class passengers and for first and second class passengers? If not, why not?

The Honourable Khan Bahadur Mian Sir Fazl-i-Husain: I presume that the Honourable Member is referring to the regulations framed by the maritime Local Governments under section 6 (1) (p) of the Indian Ports Act, 1908. Those regulations are applied to all classes of passengers, and the only discrimination made in them is that the Port Health Officer is required to disinfect the clothing, bedding and other articles of third class passengers which he considers infected, and is empowered to do the same, if he thinks fit, in the case of passengers of higher classes. The question of revising the regulations is under consideration.

INCLUSION IN THE CENSUS OF EMIGRANTS FROM BRITISH INDIA.

724. ***Mr. B. Rajaram Pandian:** Will Government be pleased to state:

(a) if they propose to include in the next Census Report the emigrants from British India?

(b) if the answer to part (a) be in the affirmative, what steps do Government propose to take to include them in the Census Report? If not, why not?

The Honourable Sir James Crerar: (a) Yes, in so far as figures are available.

(b) The Secretary of State for India has already been asked to obtain particulars of all persons of Indian birthplace resident in the United Kingdom and in British possessions.

No particulars will be available of Indians who emigrate to countries outside the United Kingdom and British possessions.

Internal emigration to States within the Indian Empire will be shown in Table VI.

VISIT OF BRITISH ROUND TABLE DELEGATES TO INDIA.

725. ***Mr. B. Rajaram Pandian:** (1) Will Government be pleased to state:

- (a) if their attention has been drawn to a London cable published in the *Hindustan Times*, dated February the 14th, under the title "British Delegates Visiting India Shortly";
- (b) whether arrangements for the despatch of the said Delegation to India is complete;
- (c) the constitution and personnel of that Delegation; and
- (d) the time of their arrival, and the duration of their stay in this country?

(2) Will Government be pleased to state if they propose to select Members from the Central Legislature to meet the British Delegation to collaborate in their work in connection with the future constitution of India? If yes, when? If not, why not?

The Honourable Sir George Rainy: (1). (a) Yes.

(b) to (d) and (2). I would refer the Honourable Member to the reply which I gave to Rai Bahadur Sukhraj Rai's starred question No. 580.

UNSTARRED QUESTIONS AND ANSWERS.

RAILWAY OFFICERS' REST HOUSE AT SIMLA.

233. **Mr. Jagan Nath Aggarwal:** (a) How long has the Railway Officers' Rest House at Simla been in existence?

(b) Is it a fact that, since 1924, Indian Railway officers have been making use of it in increasing numbers in summer?

(c) Is it a fact, that for the last three years or so the Railway Board has appropriated some of the suites of rooms and their use by the said Railway officers is not permitted?

(d) Is it a fact that preference is given to European officers for the use of the remaining suites of rooms?

(e) Will Government be pleased to lay on the table a statement of the names of railway officers (including those belonging to the Indian Audit and Accounts Service) who applied to the A. T. O., Simla, in the summers of 1929 and 1930 for the use of the said suites of rooms, but were not allowed?

Mr. A. A. L. Parsons: There is no record of the number or names of officers who used this Rest House. It was built in 1921. During the Summer of 1929 one suite of rooms on the ground floor was occupied by the Central Standards Office, and during the Summer of 1930 the whole of the ground floor. No preference is given to European officers in the use of the available accommodation.

**PROVISION OF A BATHROOM FOR THIRD CLASS PASSENGERS AT PHULERA
RAILWAY STATION.**

234. Mr. Gaya Prasad Singh: (a) Is it a fact that Phulera Railway Station is the junction for the Bombay, Baroda and Central India Railway, and the Jodhpur-Bikaner Railway; that three railway lines pass through it, with an immense volume of passenger traffic; and that passengers have to take their bath and food before changing trains?

(b) Are Government aware that there is no enclosed bathroom for third class women passengers, and they are put to great trouble and inconvenience on this account?

(c) Is it a fact that separate bathrooms for third class women passengers are provided at Ajmer, Achnera, and other junction stations?

(d) Do Government propose to see whether it is possible to provide a bathroom for third class passengers at Phulera station, where they can take their bath in privacy?

Mr. A. A. L. Parsons: The information is being collected from the Railway Administration and will be supplied to the Honourable Member in due course.

**APPOINTMENT OF MUSLIMS AS FOREST OFFICERS IN THE PUNJAB AND THE
NORTH WEST FRONTIER PROVINCE.**

235. Khan Bahadur Haji Wajihuddin: With reference to the statement showing the Muslim Imperial Forest Service officers serving in various provinces in the Forest Department in India furnished by Government in reply to starred question No. 450 (Volume III, Part No. 6, page 537), asked by Khan Bahadur Mukhdum Sayyid Rajan Bakhsh Shah on the 11th September, 1928, do Government propose to give effect to their general policy in connection with redressing communal inequalities, and take steps to bring about a due proportion of increase in the number of Muslim officers in the superior Forest Service in the Punjab, and North West Frontier Province, in which the numerical strength of Muslims is 56 and 95 per cent., respectively?

The Honourable Khan Bahadur Mian Sir Fazl-i-Husain: The attention of the Honourable Member is invited to the concluding portion of the reply given in this House to Haji Chaudhury Muhammad Ismail Khan's question No. 291 on the 28th January, 1929. As then stated, the principle of redressing communal inequalities is applied to an all-India service as a whole and not to the cadres of such a service in individual provinces. As a matter of fact, however, the number of Muslim members of the Indian Forest Service in these two provinces has increased from 3 in 1929 to 5 in 1930.

**BILL PASSED BY THE COUNCIL OF STATE LAID ON THE
TABLE.**

Secretary of the Assembly: I lay on the table a Bill to amend the Indian Reserve Force Act, 1888, for certain purposes, which was passed by the Council of State on the 24th February, 1931.

MESSAGE FROM THE COUNCIL OF STATE.

Secretary of the Assembly: A Message has been received from the Council of State which runs as follows:

"I am directed to state that the Council of State has, at its meeting held on the 24th February, 1931, agreed without any amendments to the following Bills which were passed by the Legislative Assembly at its meeting held on the 2nd February, 1931, namely,

1. A Bill further to amend the Indian Income-tax Act, 1922, for a certain purpose,
2. A Bill further to amend the Indian Territorial Force Act, 1920, for a certain purpose, and
3. A Bill further to amend the Auxiliary Force Act, 1930, for a certain purpose."

THE RAILWAY BUDGET—LIST OF DEMANDS—*contd.*

DEMAND No. 1—RAILWAY BOARD—*contd.*

Representation of Muslims in Railway Services—contd.

Mr. President: The House will now resume further consideration of the motion moved by Mr. Anwar-ul-Azim.

Sir Abdur Rahim (Calcutta and Suburbs: Muhammadan Urban): Sir, I wish to say a few words on this question. The matter has been fully discussed, but apparently some misunderstanding has arisen as regards certain aspects of the question under discussion. I would not have intervened in the debate at all but for the fact that this is a matter to which great importance is attached by my community, and I believe also by the other communities concerned and further an allusion was made by Mr. Ranga Iyer to a passage in the minute of dissent which I wrote in the Public Service Commission of 1913. There are two aspects of this question, both equally important. One is administrative, and the other is political, but both the aspects are inter-connected. Speaking on behalf of the Independent Party and, I venture to think on behalf of my community, the Muhammadan community, there is no desire on our part to suggest any measures or to urge upon the Government to adopt any policy which would reduce the efficiency of the railway service or of any other service for the matter of that. We are as anxious as the Government Benchers or my other friends to maintain and, if possible, to enhance the efficiency of the public services. So far as that is concerned, there can be no two opinions, but the question has also an important political aspect and I must say an important economic aspect as well. The railways and other Departments of the Government are large employers of educated labour. If I may use that phrase. In this country one of the most pressing political problems has been to find careers for the educated men of the country. We know how narrow, and tragically narrow, are the opportunities of our educated men—Hindus, Muhammadans and all the others. In other countries many and varied careers are open to them. But here the

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opportunities for the exercise of such talents as the country possesses are very very limited indeed, and certainly the public services do afford a career which is not to be slighted or despised by anyone.

Sir, we have heard a great deal about people hankering after the so-called loaves and fishes. I for one must submit that that is not a thing to be despised. I do not think any section of the people can afford to despise the loaves and fishes of office, as they are called. Sir, loaves and fishes are quite nourishing, and I would add thereto meat and honey. Sir, it is quite natural—and I think it is now recognized by everyone—not only by Government but by the others—that the different sections of the people in this country should be represented and should be given chances of careers in the different public services, including the railways. As regards the method of recruitment, there is also a very important matter. The Honourable Member, speaking on behalf of the Nationalist Party, quoted a passage from the minute of dissent which I wrote in the Report of the Public Service Commission. Sir, at that time, as everybody is aware, the question that loomed large in the political circles in India was that of simultaneous examinations for the Indian Civil Service. That was the political question which exercised the minds of the foremost politicians in this country, and the Congress strongly advocated simultaneous examinations, and I in the Public Service Commission supported that demand—not that I believed that competitive examination was the only method or even the best method of securing the most efficient men for the public services, but because it was necessary to break a monopoly and to start Indianization of the civil services in the country. At that time it was not advisable, nor was it prudent, to raise any communal question. Sir, the policy that was adopted then by the Public Service Commission has resulted in the way some of us had anticipated. Now that we have adopted a policy of Indianization as a definite scheme for recruitment to the public services of the country, all those questions regarding competitive examination, partial competitive examination and selection are relegated to a more or less subordinate place. So far as the railways are concerned, there is still a monopoly. It is a monopoly of men of two races, and all Indian communities, the Muhummadans as well as the Hindus, desire that there should be no further monopoly, and I think it is fully admitted by the Government that the Indian communities should be admitted largely in the future into the railway administration. That being so, the Muslim community, as an Indian community, naturally desires that, subject to the considerations of efficiency and educational qualifications, they should also have a career in the railway service. That is a natural demand. Naturally, also those who now hold a monopoly must be prepared to give way to a great extent. Otherwise there is no room for the educated Indians—properly qualified, technically qualified men, for service in this Department—there is no room for a sufficient number of them. It is time that that question, I venture to think, ought to be approached, and I believe is being approached by the Government in that spirit. So far as the general position is concerned, I believe also that there is general agreement throughout the country and on the part of Government as well. A formula has been adopted by the Government of India, that whatever tests are employed for the recruitment of suitable officers, care has also to be taken to redress inequalities. That is one

formula. I find that the Round Table Conference, with only two dissentients, has adopted another formula, but it really comes to the same thing, that there should be fair and adequate representation of different communities with due regard to considerations of efficiency and the necessary educational qualifications. I am quoting from memory, but I believe that is the purport of it. There is no real difference between the two formulæ. Then, Sir, so far as my information goes, I believe the leaders of the Congress also are inclined to adopt the formula. I know that at least in the province of Bengal, where the question has been acute for some time past, the late Mr. C. R. Das, whose memory is still cherished by both communities as that of a great political leader of India, had no hesitation whatever in adopting a formula of that character; and its magic effect on the politics of Bengal was evident to all who took any interest in the matter.

Sir, in this House also, as I have said, there is a general agreement, and if I understood my Honourable friend Mr. Ranga Iyer correctly, speaking on behalf of the Nationalist Party, he said that he did not desire to oppose the demand of the Muhammadans as made in this motion. That being so, we are now in a much better atmosphere. At one time there was a great deal of misconception and heart-burning, but now, I am happy to say, this one great difficulty in the way of India's political advance has been removed. Sir, we have all been very pleased with the assurance given by the Leader of the House, who is also in charge of Railways, that whatever instructions have been given by the Government or the Railway Board with reference to this matter have to be carried out without any further delay in the spirit in which those instructions were issued. He has made no bones about it; he has made it evident that hitherto proper action has not been taken of a practical nature and he has, I believe, undertaken to take steps at once to see that these instructions are carried out without any delay. How they are to be carried out is a matter of proper method and machinery. There can be no doubt, however, that some responsible officer has to be deputed to make proper inquiries into the position. But that is not enough. The Muslim community, though keenly interested in the question, has not itself been taking the necessary steps to see that the railway authorities and the Government are properly in possession of the facts of the situation; and even the candidates do not take the necessary measures by which to get their claims properly considered. I suggest for the consideration of the Honourable the Railway Member that it would be desirable to take further steps in order to advertise these vacancies and to draw the attention of the college and University authorities to the matter giving them information when vacancies occur, and at the same time to associate in the work of selection certain representative Mussalmans. It does not seem to me very material how many of them are going to be officials or non-officials, but with definite instructions to a committee of that character I think many of the difficulties that are in the way will be removed. I take it that for the rest it will depend upon the leaders of the community concerned to see that properly qualified candidates are forthcoming. I agree with those who have said emphatically that there is no real lack of candidates. I have considerable experience of this matter in Bengal. I know that the officers of Government were very much under the belief that properly qualified candidates were not available for certain Departments. I admit that they were not as numerous as the candidates belonging to

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other communities, but there were quite a sufficient number when Government made definite efforts laying down that they were going to give a chance to a certain number of Muslims in the different services, they found as a matter of fact that very good qualified candidates were available. I believe that will also be the experience of the Railway Department if they take the necessary steps.

Sir, the question raised now relates only to Muslim representation, but it is allied with the question of representation of other communities as well. And I for one do not plead for any special advantages for the Muhammadans. The question of special advantages for the Muslim Community, so far as the Railway services are concerned, does not arise, because from the figures that we have been supplied with by the different Honourable Members, it appears that their position at present is so miserable in the Railway Department that a great deal has to be done before their position in the railway service is properly secured. And I wish, so far as I am concerned, speaking on behalf of my party, to assure the other communities concerned, that they will have all our help in seeing that they also are properly represented in the railway services.

Sir, I do not think that I can usefully add more to the discussion that has already taken place. Having regard to the general agreement that prevails in the House, I do not think it is necessary—and if I may suggest to my friend Mr. Anwar-ul Azim—it is not necessary to press this motion to a division. And I do hope that my Honourable friend, Sir George Rainy, will once again tell the House and make it perfectly clear what the policy of Government is in this matter and the steps they have taken and are going to take in order to carry out the policy which they have in view.

The Honourable Sir George Rainy (Member for Commerce and Railways): I do not know, Sir, whether the Honourable Members fully appreciated what a remarkable day in the history of this House yesterday proved to be, for I cannot recall any occasion on which the power of eloquence to change votes was more conspicuous. I am sure that my Honourable friend Dr. Ziauddin would not claim that his second representation of the arguments that he had used in the first discussion on retrenchment weighed with the House when it decided to reverse, to all intents and purposes, the decision arrived at on the previous day; and therefore I must attribute the change of feeling mainly to the speeches of my Honourable friend Mr. Misra and my Honourable friend Mr. Sitaramaraju who moved the cut. Another remarkable effect of eloquence was shown when the speech of my Honourable friend Mr. Anwar-ul-Azim so powerfully affected my Honourable friend Mr. Ranga Iyer as to convert him, at least temporarily, from what I may call a pallid uniformitarian to very nearly a full blooded communalist. I may say, Sir, that I cannot recall that the eloquent speeches made by any of the distinguished men who have been in this House, either the late Pandit Motilal Nehru, Pandit Madan Mohan Malaviya or Sir Malcolm Hailey, were able to produce quite such startling results.

Mr. President, we have had a long and interesting discussion on the cut which is now under consideration, and I do not know that it is necessary for me to speak at great length, but I will try as far as possible to put what I have to say in a clear and succinct form. My Honourable friend Mr. Hayman has dealt with the facts and figures so far as that was

necessary, and I will not attempt to go over the same ground again. Perhaps the most convenient method of approach will be to take the five points that were put by my Honourable friend, Maulvi Muhammad Yakub, at the interview I had with the Muhammadan deputation and say what I have to say about each of them. But before I do so, I should like to record my appreciation of what fell from the last speaker, my Honourable friend Sir Abdur Rahim. He was in a position to speak from a greater practical experience of the difficulties which Governments are faced with on a question of this kind, and his advice and his suggestions are, for that reason, particularly valuable and I can assure him that everything he said will have my fullest consideration.

One general question of policy arises from the first point put by my Honourable friend, Maulvi Muhammad Yakub, because his point was that the term "minority community" should be abandoned and the representation of the Mussalmans treated separately from that of the minorities communities in India. That would involve a change in policy, and Honourable Members can judge for themselves whether, at a time when the question how such matters should be handled under the new constitution has been fully discussed at the Round Table Conference and will no doubt be discussed again, it would be proper to initiate a change in policy. Incidentally I would draw my Honourable friend's attention to the fact that the name of the Committee which considered the matter at the Conference was the "Minorities Committee". I think my Honourable friend will appreciate that it is not possible for Government at this stage to think of proclaiming a different policy from that which has already been declared.

Maulvi Muhammad Yakub (Rohilkund and Kumaon Divisions: Muhammadan Rural): But we want a change of heart.

The Honourable Sir George Rainy: It is hardly possible to do that now, and in addition to that, Sir Abdur Rahim made it perfectly clear that, so far as he was concerned, whatever he claimed, he claimed on behalf of other minorities as well as on behalf of the Mussalmans. I will not discuss the question, which has already engaged the attention of the House this morning, as to when a minority is not a minority. What I am anxious about is that we should in the Railway Department fully carry out the declared policy of the Government. That is the first thing we have to do. In the Railway Department we are not responsible for laying down the policy; we are responsible for carrying it out, and if any words of mine have at any time conveyed the impression that, while I was prepared to consider the question of Muslim representation, I was not prepared to consider the representation of other communities, then I very much regret it, because that was not at all my intention. The reason why Muslim representation occupies a larger place perhaps in public thought and in the public mind than that of other communities is due to the enormous size of the community and the fact that it extends all over India. But the same principles which are applicable to its representation in the public services are clearly applicable to other communities also.

Mr. C. S. Ranga Iyer (Rohilkund and Kumaon Divisions: Non-Muhammadan Rural): In this connection—if I may interrupt—I am very unwilling to interrupt the Honourable the Leader of the House—may I suggest that in the Administration Reports in respect of "other communities", they will also show the representation of the Sikhs in future?

Mr. K. Ahmed (Rajshahi Division: Muhammadan Rural): How can the Honourable Member suggest that?

Mr. O. S. Ranga Iyer: I am suggesting with the permission of the Honourable Member.

Mr. K. Ahmed: No, you cannot, under the Rules and Standing Orders.

The Honourable Sir George Rainy: I should be quite prepared to consider that. I do not know what the reason is why the Sikhs are not shown separately. I think the form of statistics was settled in consultation with the Central Advisory Council.

The Revd. J. C. Chatterjee (Nominated Non-Official): May I ask the Honourable Member if he is going to show the Sikhs under a separate head, the Indian Christians also, who are larger in number than the Sikhs, may also be shown under a separate head?

The Honourable Sir George Rainy: My Honourable friend will see that he has opened the sluice gates, and I shall not be responsible for the floods that may pass through. I am quite prepared to consider the matter, and if any change is decided to be made, it should, I think, be made after consultation with the Central Advisory Council.

The second point put by my Honourable friend, Maulvi Muhammad Yakub, was that whereas, when you are dealing with an all-India service you can fix a uniform percentage, namely, that one-third of the vacancies should be reserved for redressing communal inequalities, when you are dealing with a particular railway system that may or may not be an appropriate method. If for instance if one-third was the proper proportion of appointments to be reserved on the South Indian Railway, a wholly different proportion might be suitable for the North Western Railway. When that was put by the deputation, I at once said that I would ask the Railway Board to examine it and to see what could be done. I do not propose to hold up orders we proposed to issue, because that is one way of not making progress, namely, to hold up orders because they are only the second best on the hope of getting something better later on. But I will examine the question and I appreciate the force of what my Honourable friend has urged.

Now, I come to the fourth point which he took, leaving for the moment the third point. He wants two Mussalmans of proved ability and strong character to be appointed as Deputy Agents Personnel. That is a matter which I shall consider; but until I have before me the recommendations of the Railway Board, I cannot commit myself finally about it. What I do appreciate very much is the importance of removing any impression that particular communities are handicapped from any personal considerations, and I am anxious about that, not because I believe that the Personnel Officers of the railways are in fact unfairly influenced by considerations which should not influence them, but because unfair impressions about that get abroad, and these impressions I should be glad to remove. The same considerations apply also to the fifth point which was that efforts should be made to place Mussalmans in the posts of Office Superintendents, or Head Clerks in the offices of the Divisional Superintendents. That

is a matter again in which I shall have to wait the considered recommendations of the Railway Board. But there is another matter I should like to deal with, which is not directly raised in any of the points of my Honourable friend, Maulvi Muhammad Yakub and it comes up in this way. My Honourable friend, Sir Abdur Rahim, mentioned that fact that officers in Bengal were at one time under an impression that there were no suitable recruits of a particular community to be found, and taking that for granted, they went on with the time-honoured methods of recruitment. But when suitable steps were taken to put them in touch with the community concerned, it was found that there were recruits suitable in every way. Now, that is precisely the point about which I am most anxious. I am quite certain that no Member of this House would advocate the appointment of members of a particular community who were clearly not suitable, merely because they belong to that community. But the impression left in my mind by all I have seen of our recent inquiries is that sufficient care and attention have not been given to putting the recruitment officers in touch with the communities concerned, and in particular with the Muslim community, so that suitable recruits might have been appointed who have never come to notice at all. Advertisement is undoubtedly a very important method of preventing that sort of thing, and I believe the formation of committees, in which the heads of educational institutions might well be included, would be a very useful method indeed. This is what I regard as the most important point of all, namely, that we should make arrangements that the officers or committees with whom the selection of candidates lies should be in a position to get all the information possible about candidates from communities inadequately represented. I believe a very great deal can be done in that way. Now I come to the third point raised by my Honourable friend, Maulvi Muhammad Yakub, namely, that two Muslim officers, not below the rank of a Divisional Superintendent, should be placed on special duty for not less than five years to make inspection of offices and supervise recruitment. My Honourable friend, Mr. Parsons, two days ago, in reply to a question said that Government had decided to put two officers on special duty. But something has happened since then. How does

12 Noon. my Honourable friend, Maulvi Muhammad Yakub, propose I should pay for these officers? Must I not assume that he acted from a high sense of public duty, and that in his opinion retrenchment must come before everything else. When he delivered that eloquent speech to which we listened yesterday, and when his convictions drew him into a lobby different from that in which I found myself. . . .

Maulvi Muhammad Yakub: We wanted to curtail luxuries and not necessities.

The Honourable Sir George Rainy : Two officers on special duty of the rank of Divisional Superintendents might cost about Rs. 48,000 a year, and my Honourable friend has reduced, or has co-operated in reducing, the demand for the Railway Board by just double that sum. I would remind my Honourable friend that this House cannot speak with two voices. If it is the desire of the House that economy in the Railway Board should come before everything else, then I am afraid there is a danger that they may have to sacrifice other objects; and if some Members at any rate have these other objects more at heart the moral of the story is that they should not be too readily led astray by the seductive eloquence which

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they hear from the Benches immediately to their right. If they do, the results would be other than those they intended. In all seriousness, Sir, I am bound to take this matter up. I have to consider what is to be done about this cut which has been passed. Undoubtedly we must attach great weight to the views expressed by the Legislative Assembly, and there may be a very real difficulty about finding the money to place these two officers on special duty.

Maulvi Muhammad Yakub: I say, retrench luxuries.

The Honourable Sir George Rainy: My Honourable friend may be sure that all relevant considerations will be taken into account. But it is a problem which has been raised for me by the action of the Assembly itself and one which I cannot avoid. If it proves to be impossible to appoint these officers, no one will regret it more than myself. But I was bound to draw the attention of the House to the position which has arisen, lest I should be accused subsequently of not keeping faith.

I think that concludes what I have to say on this important question. It is my most full intention to take such steps as are possible to carry out the declared policy of Government as regards this question of securing adequate representation for minority communities.

Mr. Muhammad Anwar-ul-Azim (Chittagong Division: Muhammadan Rural): Mr. President, I do not think that it is at all necessary for me to go *seriatim* into all the remarks that have fallen from all sides of the House. I do not think we have advanced much on any side or in any matter. In this connection, the only redeeming feature to be noticed is this, that perhaps some of the non-Muhammadan communities living in this country represented here have appreciated the real difficulties under which Muslims are placed, and for this they deserve our hearty thanks.

I had the privilege of listening to what fell from the Staff Member of the Railway Board yesterday. I paid a very great attention to it. I also had the privilege of listening to what fell from the Honourable the Leader of the House. The result may be translated into the Bengali proverb "*Jei timiré sayee timiré*" which means that we are in the same darkness now as we were in before. Mr. President, I shall not dilate on this matter any more; I think I shall take the wise counsel of my esteemed friend the noble Leader of the Independent Party, Sir Abdur Rahim . . .

Mr. K. Ahmed: Carry it; that would be a good answer.

Mr. Muhammad Anwar-ul-Azim: . . . and not press this motion to a division, though I am certain that my motion would be carried.

In concluding, I will just say these few words and finish. We Muslims are not satisfied that the undertakings given by Government, as stated in Mr. Hayman's speech, will satisfy our needs and bring about proper representation of our community in the railway services, and particularly in the better paid appointments of the subordinate services. But in view of the fact that Government do propose to take some practical steps, as instanced

by the following undertakings, I wish to withdraw my motion. The undertakings to which I wish to draw their particular attention are in this order :

- (1) That Government will appoint forthwith two officers to look after the interests of Muslim recruitment (Laughter from the Government Benches) and that they will not be taken away from the posts until Muslims have up to their proper representation;
- (2) That Muslims will be appointed to the posts of Appointment Officers without delay;
- (3) That Muslim officers will always be required to serve on selection committees when recruitments are made to the subordinate services, even when it is necessary to co-opt one or both of the special officers who are now to be appointed;
- (4) That Government will consider, without delay, the question of appointing a committee for each railway, on which non-official representatives will serve, and that Muslim representatives will have an adequate number of seats on those committees; and lastly,
- (5) That Government will appoint qualified persons of all communities, including Muslims, in intermediate grades of the subordinate establishments in order that Muslims might in the near future obtain proper representation in the upper subordinate grades.

With these words I beg leave of the House to allow me not to press the motion to a division.

Mr. President: Do you wish to withdraw it?

Mr. Muhammad Anwar-ul-Azim: Yes.

Mr. President: The Honourable Member wishes to withdraw his motion. Is it your pleasure to allow him to do so?

The motion was, by leave of the Assembly, withdrawn.

Mr. Muhammad Anwar-ul-Azim: I do not move No. 8.*

Railway Administration.

Mr. C. S. Ranga Iyer: Sir, the next motion which stands in my name is of a Rs. 100 cut under general administration, and I should like to bring under this certain specific facts that have been brought to my notice which not only affect the Railway Administration and its efficiency but also its finances. Sir, more than four years ago the High Commissioner for India recruited a certain number of young civil engineers for service....

The Honourable Sir George Rainy: May I ask which cut he is moving or if he is moving a cut at all because I am completely in the dark?

Mr. President: He is moving cut No. 9. (Railway Administration.)

Mr. C. S. Ranga Iyer: . . . and I am just bringing certain general complaints. A certain number of young civil engineers were recruited for service on Indian railways temporarily on a three years contract.

*"That the Demand under the head 'Railway Board' be reduced by Rs. 1. (Lack of supervision over the Company-managed railways.)"

[Mr. C. S. Ranga Iyer.]

The advertisement calling for applications issued by the High Commissioner, I believe with the consent of the Government of India, also stated that the appointment was of a temporary character, but that there was every probability of the selected officers imported into the engineering service, on satisfactory service during the temporary service, being confirmed. No doubt this was not a guarantee for permanency, but I believe hope was held out by the Government to the candidates, and the hope held out was as good as an assurance. And, Sir, further facts have been brought to my notice by some representatives who have gone into this question, that these young men took the hope held out to them as an assurance. Whether they were justified in taking that hope as an assurance is a matter for the Railway Board to think about. These young men served on Indian railways for the period of their contract, and their services, I understand, were satisfactory. I also understand, Sir, that their services were extended for a further term on increased salary, and on the expiry of that term, these young men were asked to make room for new recruits, and this in spite of the fact that the Chief Engineers of the railways concerned highly appreciated the services of these young men and strongly recommended their confirmation. I should like to know on this matter whether my statement is correct. In some cases, I gather, the Chief Engineers wrote about these young men in somewhat flattering terms. Besides the injustice done to these young men, there is a graver issue which has to be considered. When I use the word "injustice", I use it without meaning any offence to any one, but these young men feel it to be an injustice, and it is for the Honourable the Railway Member to throw more light on this matter. These young men were trained and got experience of railway work at the expense of the taxpayer—that is one of the arguments that has been put to me—and they are now denied the advantage of service, their training and their experience being practically thrown away. If these facts are correct, Sir, it is an economically unsound policy. The railways are a commercial Department of the Government, and the Honourable the Commerce Member has been telling us that it should be run on commercial lines.

Sir, another aspect of the question that I want to bring to the notice of the Honourable the Commerce Member is in regard to certain difficulties that exist in England in regard to young men from India in the engineering service getting admission in workshops. Sir, from my knowledge of the question there is not the same difficulty, for instance, in Germany, and there I think—at any rate that is what I learnt from Indian students in Berlin—they get easier admission into the German workshops than into the British workshops. If that is so, and if my information is correct, I would put it to the Honourable the Commerce Member that some arrangement should be made to give Indian young men proceeding to England greater facilities in regard to admission into these railway workshops and opportunities should be afforded to them to acquire more practical experience in England. Moreover, I would very much like to suggest to the Honourable the Railway Member that he should recognise German qualifications, because I believe there are young men coming to this country with Continental qualifications, and it will be a very good thing indeed if the Honourable the Railway Member takes this matter into consideration.

Sir, one more thing I wish to bring to his notice in regard to recruitment, and it is this. I understand—and here again I believe I am quite right—that the quota system of recruitment is not working properly. Under the quota system more men are rejected. That perhaps will always be the case, because there will always be a larger number of applicants whose applications will be rejected. But, Sir, the quota system I gather is standing in the way of the candidates directly applying to the Public Service Commission. Sir, I place these facts before the Honourable the Railway Member and I should like him to throw more light upon them and also to consider, if possible, a certain amelioration of the conditions under which certain of these people live.

Mr. B. Das: May I ask, Sir, if the policy of Indianisation can be discussed under this head?

Mr. President: The words used are "Railway Administration".

Mr. B. Das: My friend spoke only of Indianisation.

Mr. President: There is no obligation on any Member to deal with the whole subject of Railway Administration. When the issue is before the House, any Member may single out any one particular part of the Railway Administration and speak on it. I understood the Honourable Member to speak on recruitment for the Railway services. Under the term "Railway Administration," I cannot prevent any Member from dealing with that aspect of the administration.

Rai Sahib Harbilas Sarda (Ajmer-Merwara: General): Indianisation also comes under it.

The Honourable Sir George Rainy: I am afraid that is the position taken by the Honourable Member owing to the very wide terms used in giving notice. But if Honourable Members generally think it would be better to concentrate on a particular point in connection with each cut, then I think they can only trust to their own self-restraint on this occasion, because it is obvious that, if the whole subject is opened, the discussion on this cut might quite easily go on until 5 o'clock tomorrow afternoon.

Mr. President: I cannot rule anything out of order under those comprehensive words. The Honourable Member may perhaps withdraw his motion.

Mr. C. S. Ranga Iyer: After hearing the Honourable the Commerce Member, I am quite willing to withdraw the motion.

Mr. President: As no other Member wishes to speak. . . .

Mr. A. M. Hayman (Government of India: Nominated Official): Sir, I should like to say a few words . . .

Mr. President: After Sir George Rainy has spoken, the Honourable the Mover wishes to withdraw the motion.

The Honourable Sir George Rainy: I am quite prepared to give the information he has asked for.

Mr. A. M. Hayman: Sir, I wish in the first place, to say that I am particularly obliged to my Honourable friend, Mr. Ranga Iyer, for having spoken on a subject on which it was my intention, if I had the time, to

[Mr. A. M. Hayman.]

say a few words. The Honourable Member referred to three subjects, but the main theme on which he spoke was—and I think he was specially concerned about it—that a large number of young Indians had been recruited as temporary engineers some years ago in our railway services and that the bulk of them had been discharged from service. Now, Sir, I wish to place the facts in regard to this matter as briefly as I can, but very clearly, before the House, and also to explain to the House what Government intend to do in order to keep, as far as they possibly can consistent with our obligations to others, some at least of these young engineers in service and bring back a few who have been discharged recently. My friend is quite correct in saying that at the time when these young men were entertained in service on short term agreements some of them were given some hope that they might secure permanent employment in Government service. One has to realise, Sir, that at the time we made the recruitment of these temporary engineers on short term covenants, we had in hand a very big construction programme and also a very big programme of the rehabilitation of our open work lines. For carrying out the programme for these two purposes we had to employ a fairly large number of temporary engineers both in India and England. Now, Sir, it would have been a happy step for Government to take, if it were possible for them to retain in service a fair number of these qualified Indians who had been appointed on these short term contracts; but unfortunately, very unfortunately I would say for the Railway Department, times have changed and we cannot get the money that we got a few years back in order to carry on our policy of development and the provision of increasing facilities on our open lines. With the curtailment of our construction programme, we had necessarily to get rid of the staff employed on the works concerned, and it has been our painful duty, in the last few years, to get rid of many engineers on our Railway Administrations, nearly 70 or 80, I think. Naturally, when we had to get rid of officers whom we could no longer keep because we had not the money to pay them, we had to get rid of those who were in temporary service and who were employed on short term contracts. It is not only our temporary Indian engineers who suffered; those young men to whom my Honourable friend, Mr. Ranga Iyer, has referred, but we had of necessity to employ a large number of European officers, who came out on short term contracts in connection with the construction works, and the services of almost every one of them have been terminated. But my Honourable friend, Sir George Rainy, and the Railway Board have been recently giving very careful consideration to the question of retaining in service at least some of these young engineers who have done us very well. And here I would remark that what my Honourable friend, Mr. Ranga Iyer, said about the Chief Engineers of Railways having given us reports as to the excellent services that some of these young engineers have rendered, is perfectly true.

What do we propose to do, Sir? We have just recently come to the end of a very important stage of our cadre proposals, and we find that it will be possible for us to take in some of these temporary engineers into our permanent service—a very few perhaps into the superior services, but a fair number in what we call our lower gazetted service. And we are writing, and I hope the letter will issue in a day or two, to each of the State Railway Administrations to place before us specific recommendations for appointing some of these young temporary engineers to our permanent

service. We want Railway Administrations to take into consideration not only those who are in service at the present moment, but also those who have had to be discharged recently on account of the reduction of our construction programme. Now, Sir, I submit that we are doing a great deal in that way, and I hope that that will satisfy my Honourable friend, Mr. Ranga Iyer. I should like to remark, and I think Mr. Ranga Iyer admits this point also, that there was no guarantee of appointment given by Government to these temporary engineers who were engaged on short term contracts, and Government have not in any way failed to keep any contractual obligation.

Just a word about the enquiry made by my Honourable friend regarding training in workshops in England. As was explained recently in the House, we last year recruited seven Indians to our Transportation, Power and Mechanical Engineering Departments, and this year also we are trying to recruit almost an equal number by advertisement, and we have taken the precaution of asking the Public Service Commission in India to list for us all the persons in India who apply and who are considered to possess the necessary qualifications. We have also asked the High Commissioner for India to assist us in the same way. We have received the recommendation of the High Commissioner for India. There are a fairly large number of candidates whom he recommends for appointment, or at least for consideration, because, even though they do not possess the minimum qualifications required now, he thinks that with a little training or experience they will prove suitable. Sir, we shall take into consideration whether we can arrange to give training to some of these candidates in order to employ them in the vacancies which we have at present.

About the quota system, Sir, I might say that Government have under consideration at the present moment the question as to whether any revision should be made in the recruitment rules to the superior services and this point will be taken into consideration.

The Revd. J. C. Chatterjee: I wish to say a few words about the question of quota committees. I feel that I have some claim to make these remarks, because I have been a member of the quota committee for the Punjab, Delhi and the Frontier Provinces ever since it was formed. I do feel that there is a certain amount of justification for the retention of the quota system and for the retention of the committees that are formed under it. But I should like to point out to the Honourable the Railway Member that there is need for revision of the methods by which these quota committees are formed. I do not want to make any pointed or particular reference to any particular committee, but I find that there is hardly any continuity in the membership of these committees. It may be said that since I myself have served five years on a quota committee, the complaint can hardly be justified. But I think, Sir, that in this particular committee where there are eight or nine members, I happen to remain on because I represent a small administration. On the other hand, I have never seen, or practically never seen the same member appointed even for two meetings of a quota committee in succession. The result is that when people have to interview a very large number of candidates and to see which of them are fit or are likely to make good railway officers, they have very little experience in the way in which these young men should be selected. Again, the method by which these members are recruited seems to show that there is something wrong in their selection.

[The Revd. J. C. Chatterjee.]

It seems that members are selected largely, from the provincial Legislatures and it is very seldom that a man is selected who has had anything to do with the training of youth or who is qualified to pick out the right kind of men. I speak subject to correction, but I am certain that in some cases gentlemen have been appointed to the quota committees who have no knowledge of English, or practically no knowledge of English. It is not in itself a crime not to know any other language but one's own mother tongue, but since the interviews are all conducted in English, what is the object of having men on these selection committees who cannot understand the language in which the candidates are being interviewed? The members of these committees, partly owing to the fact that they are so often changed,—and they almost always change—and partly due to the fact that they represent various groups, I won't say communities, but groups in the Legislatures, have very little idea of the kind of work required of these committees. I very seldom found that any clear instructions were given to members of the quota committees as to what they were supposed to do. They do not seem to know their job. They are not sure whether they are to select men who are likely to have the best chance in a competitive examination, or whether they are to select men according to communities or reasons of family considerations or whether they are to select men who physically seem to be the most suited. I do not plead for the abolition of these committees, because a useful purpose can be served by them since for every appointment that is offered for competition, hundreds of candidates do apply, and it is better that a preliminary selection should be made instead of letting the men go straight on to the Public Service Commission. Therefore, unless a system of absolutely open competition is introduced, it is desirable that these committees should continue, but I hope, Sir, that the Railway Member will consider and give his attention to the method in which these selection committees are formed in consultation with the authorities who appoint these selection committees.

The Honourable Sir George Rainy: I will certainly consider what my Honourable friend has said.

Mr. C. S. Ranga Iyer: In view of what Mr. Hayman has said, I beg leave to withdraw my motion.

The motion was, by leave of the Assembly, withdrawn.

Mr. C. S. Ranga Iyer: The next cut relates to the grievances of subordinate employees, but as I find that a similar motion has been tabled by others, I do not propose to move mine.*

Construction of a New Railway between Kollengode and Cochin.

Mr. C. S. Ranga Iyer: I move:

"That the Demand under the head 'Railway Board' be reduced by Rs. 10."

I find that a similar cut has also been given by my esteemed friend, the Raja Saheb of Kollengode. I wish he were present here to support my

*"That the Demand under the head 'Railway Board' be reduced by Rs. 100. (Grievances of Subordinate Employees.)"

motion, especially as he had no small share in the extension of the Pollachi line to Palghat and Kollengode. I must say at the outset that I am deeply obliged to the Raja Saheb of Kollengode for much of the valuable information and the authentic facts and figures which I shall place before the House. Sir, the Pollachi-Kollengode line to Trichur involves an extension of about 40 miles. At a time like this when the Railway Board is confronted with unusual financial stringency, I should not have come forward with a plea of this kind but for two considerations. First, financial embarrassments ought not to stand in the way of pursuing paths which lead to financial prosperity. The proposition that I am making is, as I shall presently show, calculated to bring much profit to the railway. Secondly, what I urge is the completion of a scheme of railway already in work and without that completion what has already been done will not be of much practical use. In the Palghat-Dindigul scheme of railways, as I am sure the Honourable Mr. Parsons will appreciate, unless the extension to Trichur is carried out without any delay, you will not only be making the scheme incomplete, but will also be reducing the earnings that would otherwise accrue to the railway from the facilities now afforded by the opening of the Cochin harbour, which is now an accomplished fact. The improvement of the harbour and the assurance of its success are factors which go to make Cochin the central point to and from which all commerce from the West and South West of the Madras Presidency must naturally flow. Moreover in view of the large amount of money which the Government of India and the Darbars of Cochin and Travancore have invested in the development of the Cochin harbour, the Pollachi-Kollengode line to Trichur becomes not only attractive to the three parties concerned, but is of much practical utility and importance. As the Railway Board are no doubt aware, the Report of Mr. Izat on the proposed extension will bear out my observation. To recall the facts, Mr. Izat was deputed in 1921 to make a detailed investigation into the railway requirements of South India, with special reference to the additional facilities rendered necessary on account of the development of the ports of Tuticorin and Cochin. Mr. Izat invited the views of the Cochin Darbar, the Cochin Chamber of Commerce and the United Planters' Association with regard to the railways serving the Cochin harbour. In his Report, furnished to the Darbar in 1922 Mr. Izat recommended that the Trichur-Dindigul Railway should be constructed on the metre gauge, and that its early construction was very necessary for the development of the Cochin harbour, inasmuch as it will bring the rest of the South Indian metre gauge railway systems into direct rail communication with the harbour. At present, the extension of the Dindigul-Pollachi line to Kollengode and from there the construction of a branch line to Palghat alone is under construction. The proposal to extend the Dindigul-Pollachi line to Palghat was made at a time when Cochin had not the importance it has now as a port. The opening of the Cochin harbour and the great possibilities before it have profoundly altered the situation. The rail communications to the port have got to be improved by bringing it into touch with the most busy trading centres hitherto untouched by railway communication. The construction of this line has aroused much interest not only in Cochin but also in the neighbourhood of Pollachi and the planting districts of the Anamalais in the Madras Presidency. Thus, the Indian Merchants' Association, Cochin, the British Cochin Chamber of Commerce, the

[Mr. C. S. Ranga Iyer.]

trading interests and the Municipal Council of Pollachi and the planting interests of Anamalais are all pressing for the early construction of the line. If the construction were taken up in the near future it would be possible to continue the metre gauge line from Trichur to the port of Cochin in connection with the work now being undertaken on the existing line from Shoranur to Ernakulam. Direct connection will then be secured between Cochin and the country whose needs the port should naturally serve. Thus, on the extension of the proposed line, as the Honourable Mr. Parsons can see for himself, is dependent the railway development of the Madras Presidency itself, a development which is bound to become profitable. This again takes me to Mr. Izat's estimate, which I may supplement with the information that I have in my possession. Mr. Izat was of opinion that the Trichur-Dindigul line would earn Rs. 100 a mile per week on the first opening. It is also worthy of notice that part of the Pollachi-Trichur line, namely, the Pollachi-Kollengode line, which was expected to give Rs. 80 only a mile a week on first opening, is being constructed. If the line as far as Kollengode will be profitable, it cannot possibly be said that its further extension will be less so, the traffic estimate of the S. I. Railway being applicable to the entire length of the line from Pollachi to Trichur. On the other hand, the available evidence points to the fact that the Trichur-Kollengode section will result in a much greater income. The Vaniampara road, along which this line will run, is the busiest road in the State. In 1916, it was estimated that over 1,00,000 carts passed along it every year. The auction of the right of collecting tolls at the Sirkar toll gate on the road fetched Rs. 3,033 that year. The following figures will give an idea of the remarkable growth of traffic over this road during the last 12 years, that is, from 1916 to 1929.

Year.	Lease amount.
	Ra.
1916-17	3,033
1922-23	8,735
1927-28	10,500
1928-29	13,820

This means that the traffic has more than quadrupled within the last 12 years. With regard to passenger traffic it is known that more than 25 buses ply daily on this road and carry approximately 1,000 passengers on the average. In this connection, I may also dwell on the cost of construction. This was estimated in 1917 at Rs. 68,330 per mile including costs of land, junction arrangements and interest on capital during construction. Since prices have gone down of late, there is no reason to fear that the cost will be much more than the anticipated Rs. 68,330 per mile. The expected earning being Rs. 100 per week for every mile, the percentage of interest on the capital is about 7.6 as stated by Mr. Izat. The prospects of the line therefore justify, its early construction. Even taking the cost of construction at one lakh per mile, which is much in excess of what was estimated in 1917, the total outlay required will be only Rs. 40 lakhs for the 40 miles of this line.

Mr. B. Das: Only 40 lakhs?

• Mr. C. S. Ranga Iyer: My friend, Mr. B. Das, inquires if the cost will be only 40 lakhs. I shall presently show him and the House how this amount could be met. If there is no other way, the cost of construction may be partly met by raising local loans and partly from the Cochin Durbar, who I am fully convinced will be willing to lend a helping hand to a scheme which will be of immense benefit to them and in which they may like to have an interest. As a Cochinite myself and knowing the people of the place and knowing the enthusiasm they have for the construction of this railway, I can say this definitely. Cochin is a progressive administration and I imagine it shares the enthusiasm of the people and my imagination is fairly based on information. The Cochin Administration will be quite willing to meet the Government more than three-fourths of the way, both metaphorically and literally because three-fourths of the distance between Kollengode and Trichur lies in the Cochin State. Therefore it will be meeting the cost not half-way but three-fourths.

Mr. B. Das: Will the Cochin Durbar guarantee three-fourths of the interest on the capital cost of the railway for 10 or 15 years, as Local Governments guarantee?

Mr. C. S. Ranga Iyer: Sir, I am sure, their enthusiasm is so great that if the Railway Administration knows its business and goes about it in the proper manner, they will be able to know how far the Cochin Durbar will be able to meet their wishes in the matter, and I think that ought to satisfy my very enthusiastic friend, Mr. B. Das, the range of whose experience and interest, I am very glad to know, extends from Bihar to the Cochin State.

Mr. B. Das: And that of my Honourable friend from the Kumaon Hills to Cochin.

Mr. C. S. Ranga Iyer: Even in the absence of these inducements, no Railway administration which believes in a profitable extension of the railways calculated to develop the country and the resources of the railway ought to shut its eyes to the advantages arising from the proposed scheme.

Lastly, schemes like these also provide continuous employment for large numbers of working classes and perhaps also railway officials who otherwise may have to be disbanded under the proposed retrenchment schemes, which are likely to inflict on them much hardship in these times of difficulty. For these reasons, I hope the Honourable the Railway Member will make a definite provision for the extension of the scheme so that the staff and officials and the workmen now employed in the Pollachi-Kollengode line may continue in their employment for the completion of the scheme. I am sure that, when this scheme is an accomplished fact, it will be found that it is second to none in its financial yield and in bringing prosperity to the country that it serves. Sir, I recommend most strongly that the scheme may be taken up for construction as early as possible. Sir, with these words, I move my motion.

Mr. K. P. Thampan (West Coast and Nilgiris: Non-Muhammadan Rural): Sir, coming as I do from that part of the country, I have great pleasure in supporting this motion. The other day I had occasion to ask a question in this House and with the reply to which I was not satisfied. I am glad a chance has now arisen to discuss this question.

[Mr. K. P. Thampan.]

As the Honourable Mr. Ranga Iyer has placed before the House all the relevant facts and figures, and as this is a purely parochial matter, I do not want to take up much of your valuable time. Sir, there are two aspects of the question which I wish to put before you, aspects which Mr. Ranga Iyer did not deal with. In the first place, though the proposal is nominally to link up only Kollengode and Trichur, the real connection is between Pollachi and Cochin. The importance of Pollachi and Cochin is well known. My friend, the Honourable Mr. Alexander, will bear me out when I say that Pollachi happens to be the greatest produce mart in Southern India.

Mr. W. Alexander (Madras: European): Sir, I agree with that.

Mr. K. P. Thampan: So far as Cochin is concerned, it is the best natural harbour on the West Coast and the Government have spent large sums of money on improving and developing the Cochin harbour. It is bound to be one of the greatest sea-ports of this country. Sir, the proposed line traverses through extensive paddy fields in Malabar and passes along the important groups of plantations of Anamalais and Nelliampatty and trade centres. It will be the shortest outlet to Coimbatore and the Nilgiris and also to certain portions of Salem, Trichinopoly and Madura. At present these places have to send out their produce in an out-of-the-way manner. So it is only by opening this line, that the money that we are spending in improving the Cochin harbour will be justified.

The next point I wish to point out to the House is that this line traverses 40 miles in length, of which 30 miles are practically in the Cochin State. There are only about 10 miles in British territory, and the traffic earnings of this line, as was already pointed out, are bound to be great indeed. So far as my information goes, though I can't speak officially for it, the Cochin Durbar is willing to take up the construction of the line, which passes through their territories. We will have therefore to take up only ten miles. The cost of that will be but very little; but from the commercial and utilitarian point of view, it will not only pay its way, but will also bring in a very good profit. The Cochin State has got very large reserves in their Devaswams which they are anxious to invest. In fact, they are lending out money to landholders in Malabar. They are not faced with any financial difficulty. If Government allow them to take up this line, I am sure they will gladly accede to the proposal. As a matter of fact, they want it. If the Railway Board only make up their mind to do it, there will be no difficulty of any kind. I hope and trust the Honourable Member in charge of Railways will accept this motion.

Mr. B. V. Jadhav (Bombay Central Division: Non-Muhammadan Rural): Sir, I rise to support this cut and I want to make a protest against the step-motherly treatment which is meted out to the Presidency of Bombay by the Railway Board. For many years, Sir, the claims of Bombay for railway extension or construction of branch lines have been neglected. The Railway Board made their inquiries and I think they came to the conclusion that none of the lines would be profitable. The Government of Bombay had ultimately to appoint a special officer to make inquiries whether the proposed lines would be profitable, and the officer has succeeded in showing that many of the lines would be profitable. The

question of the Bombay-Sindh connection or the Viramgaum-Sindh section is admittedly a profitable concern. It is also necessary from the point of view of administration. So also the line from Diva to Dasgaon in the Konkan is also looked upon as a prospectively profitable line. But the Railway Board do not pay any attention to the needs of the development of railway lines in Bombay, and in order to bring the wants of Bombay to the notice of the Board I rise to make this protest.

Mr. A. A. L. Parsons (Financial Commissioner, Railways): Sir, I join with the Honourable the Mover in regretting the absence today of Sir Vasudeva Rajah, whose local knowledge of the area through which this Railway would run, would have been of great value to us. I have myself a certain knowledge of the country, having been on two occasions to Cochin, and having been recently on tour there and at Pollachi. I agree with what Mr. Thampan said that it is more a question of the railway connections between Pollachi and Cochin than of a mere branch line between Kollengode and Trichur, and it is as such that we should view it. Its past history is briefly as follows. Though this line was, I think, recommended in the report of Mr. Izat, as the Honourable Member mentioned, in 1924 the Railway Board came to the conclusion that it was not a line which it would be worth while to take up because it would run as a whole only 20 miles away from a broad gauge line already in existence. That was the position up to that time. On the other hand, conditions have changed since 1924, and we fully realise that the opening of the Pollachi Palghat branch, which I expect will take place some time next financial year, and the development of the Cochin harbour create a new position. And I think it is chiefly for that reason that both the Madras Government and a good many of the public bodies in that part of the country have pressed on us the reconsideration of this scheme. I am speaking at the moment from memory, but I think, Mr. Russell and I met a deputation on the subject when we went on tour in Madras last Autumn. I confess that I am not sure that the scheme holds out as good prospects as was suggested in the Honourable the Mover's speech. He mentioned, for instance, an estimate that it would not cost us more than about, I think he said, 60 or 70 thousand rupees a mile. The latest estimate we have made ourselves, which was prepared by the Director of Civil Engineering with the Railway Board in 1929, was, I think, that it would cost about a lakh and a half per mile owing to the heavy gradients which would be encountered. And with regard to the possible earnings, I was a little surprised to find the Honourable Member using in support of the scheme the fact that there is already very heavy road traffic; for surely that means that we shall have to anticipate very heavy competition by road, over this comparatively short distance of 40 miles. I do not wish by saying that, however, in any way to suggest that the Railway Board have come to any final conclusions on the subject. On the contrary realising that there is a great deal of local feeling in favour of the project, realising that the opening of the Pollachi Palghat branch in the near future will make the position different from what it was in 1924, we have asked the Agent of the South Indian Railway to have a fresh traffic survey of the scheme made. We have not yet received his report. When we receive the report we shall have to consider the question as one of two alternatives. Should we build a metre gauge from Kollengode to Trichur only or should we make the extension right through into Cochin harbour? I think the Madras Government recommended the second scheme. I am

[Mr. A. A. L. Parsons.]

not sure that that would be feasible, because obviously if we have to build a metre gauge from Trichur to Cochin it would add very largely to the cost of the project. On the other hand there are possible expedients; for instance, the provision of a third rail on the section from Trichur to Ernakulam, so that we could run over that section both broad and metre gauge lines. We shall have to consider other difficulties, difficulties connected with the working of a port with two gauges running into it and these difficulties are I think in the case of Cochin very real. I do not think, however, that any of these difficulties which I mentioned to the House are entirely conclusive as against the possibility of this extension. I only wish to point them out to the House so that if again this question comes up, it should not be considered that there are no difficulties in building this particular railway.

Finally, there is of course the question of when we can build it. I have no doubt whatever in my own mind that the first thing to do is to complete the conversion of the Podanur-Ernakulam section to broad gauge and that actually we are taking up this year. It is being financed by the Cochin Durbar. As the House is well aware, we cannot ourselves find the capital to open further extensions at present, and therefore even when we do come to our decision in regard to this scheme, I can make no promise as to the time when it will be taken up. Nor of course can I at the moment deal with the suggestion that some special method of financing could be adopted, because a considerable portion of the line will run through the Cochin territories. I am, however, glad to have that suggestion, because the next time—it will be very long I think—any Member of the Railway Board goes down there, I have no doubt the Cochin Durbar will be prepared to discuss it with him.

Mr. C. S. Ranga Iyer: Sir, I wish to withdraw the motion.

The motion was, by leave of the Assembly, withdrawn.

Indianisation of the Railway Board.

Mr. C. S. Ranga Iyer: Sir, I beg to move:

“That the Demand under the head ‘Railway Board’ be reduced by Rs. 100.”

Sir, I believe we are now progressing *pari passu* with political progress in the matter of Indianisation. Sir, this subject has come up before this House and has been discussed with great ability by the great giants who sat on these Opposition Benches. One of them was my esteemed friend, Mr. Srinivasa Iyengar, the Deputy Leader of the Swarajist Party. In those halcyon days of opposition to the Government in this House, an opposition which had repercussions all over the country, what did Mr. Srinivasa Iyengar say? He said:

“The majority of the Members of the Railway Board should be Indians, and unless at least half the Members of the Board are Indians it cannot be said that the Railway policy is at all controlled by Indians in any way.”

He said this during the Indian Legislative Assembly discussion on an occasion like this two years ago, 1927-28. Similar observations were made by my old revered leader, Pandit Motilal Nehru. I have always said that it is the deepest regret of my life that, when challenged on an occasion of

political differences and even invited to carry the challenge to a court of law, I had to accept that invitation. Sir, it has been the deepest regret of my life and I may say here and now that it was also my good fortune that I had the opportunity of withdrawing that case on an agreement between both sides through the Pandit's respected counsel, Sir C. P. Ramaswamy Iyer, who approached me in Simla in the presence of my friend, Mr. Shanmukham Chetty, who I am glad is present here today and who was an old devotee of the late Pandit. Sir, when I mention his name and quote his observation, now that he has gone to his rest, I think I owe him this apology. Panditji said:

"There is something rotten in the State of Denmark, and I submit that the Railway Board must be submitted to a very searching inquiry in all their departments, and I have not the least doubt that if that is done revelations not less startling than the Raven Committee revelations will be revealed."

Sir, I remember that occasion and old Members will remember that occasion when the great Pandit's startling revelations not only shook this House but also created a great echo outside this House. That was the kind of mismanagement, as he put it, for which the Railway Board was responsible. Sir, I am not concerned here with the question of management or mismanagement. Indians too, if given the opportunity, will mismanage as well as the present Railway Board mismanages. (Laughter.) But, Sir, we want the right to mismanage just as in a question of political rights and liberties, just as in the question of political deliverance of this country. As Sir Tej Bahadur Sapru said 14 years ago from the platform of the Indian National Congress when our old critics used to say that we were not fit, "Let us have at least the opportunity to make mistakes even as British administrators and British Governments make mistakes from time to time and give account of their stewardship during the general election when they are turned out of office." Sir, the Railway

Board must be Indianised for the very simple reason that the I. P. M. Europeans in the Railway Board have not proved themselves to be infallible. We are all human beings and human beings are very fallible. But to say that Indians are not fit enough, are not competent enough, have not the expert knowledge to be Members of the Railway Board, is to say a thing that cannot cut much ice on this side of the House or out in the country, and is a thing which I do not believe the Honourable the Commerce Member or the Honourable Members on the other side will like to say. Therefore, we should like to know why Indians are excluded from the Railway Board. We should like to know whether, as Sir Purshotamdas Thakurdas said in this House on the identical question,—the question whether the Railway Board is to have the same number of Indians in it—though he did not say that—I am just coming to what he said—as, I say, in the Executive Council of the Governor General. Sir, this is what Sir Purshotamdas Thakurdas said:

"The question is whether the railway policy of the Government of India shall be determined in the interests of India and Indians or in the interests of Britain and British."

Having just slurred over the racial discrimination cut, I do not want to dwell on the racial implications of Sir Purshotamdas's observations. But I would like to look at it from a purely patriotic, from a purely Indian and from a purely non-racial point of view. Sir, there are now four Members on the Railway Board, and the Honourable the Railway Member said in

[Mr. C. S. Ranga Iyer.]

his mellifluous eloquence, which I wish I could imitate or emulate—I find how very difficult it is to be all honey and sugar speaking from the Opposition Benches (Laughter)—Sir, he said that all these Members of the Railway Board were very much overworked, and in his speech he gave a compliment, which I think Mr. Hayman richly deserves, for the ability, the integrity and the application that he has brought to the Railway Board administration. Sir, I feel very glad indeed that I had an opportunity to vote for an Anglo-Indian representative on the Railway Board, and I am sure when my turn comes now for an Indian representative on the Railway Board, I will have the support of the Anglo-Indian community. I now want, Sir, the Honourable the Commerce Member to give us an undertaking—if I am not putting it too strongly—that he will make a point of having at least two Indian representatives on the Railway Board. I do not say at present eliminate the European representatives. But I think, looking at the pace at which things are moving in this country,—we are being drawn through the track of centuries in a few months,—the Railway Board cannot afford to be lagging behind, and in that spirit they ought to give opportunities to Indians, who have the capacity to manipulate as well as understand facts and figures, as any present Member of the Railway Board, so far as the Railway Board's representation in this House is concerned,—but that is a very small affair,—who have got also opportunities and abilities to carry on, with the expert knowledge that the present Railway Board possesses, the administration of the railways. Sir, with these few words, I strongly urge that the Railway Board should be Indianised.

Mr. B. Das: Sir, I was surprised to find my friend, Mr. Ranga Iyer, speaking in such moderate language and complimenting the Honourable the Railway Member for speaking in words of honey and sugar. Sir, I do not want to follow him in that way. I will speak in terms of fire and storm. Sir, I will not emulate that passage from my Honourable friend, Mr. Ranga Iyer. I would not beg as my friend has done. I would not beg the Honourable the Railway Member, because what is the use of begging? Begging will end in one year and next year we will be masters on that side and we will have what we are asking for today from my friend, Sir George Rainy. (Hear, hear.) It seems the Government and my friend, Sir George Rainy, the leader of that Government, have not gauged the signs of the times and have not taken any warning. It seems my friend, Sir George Rainy, made a speech on Indianisation as if we are living in 1924-25, when his predecessor took out of our hands the Lee concessions to give them to all the railway officers and then snapped the fingers at us. We are not living in 1924-25.

The Honourable Sir George Rainy: I had nothing to do with the Lee concessions; it was settled before I became Railway Member.

Mr. B. Das: But my Honourable friend, as long as he occupies the position of his predecessor, Sir Charles Innes, will have to carry out the pledges that he gave to this House. But if he carries out his policy, his double policy, promising one thing in this House and then doing something else while he sits in his room as the Railway and Commerce Member, I am sorry for him. But I say the time is coming when things are going to change. We want Indianisation. We want to see the railway administration in the spirit of Indianisation, not only a few jobs here and there,

but the whole administration should be Indianised and the essential spirit of that administration should be Indian in character and essence and not European in thought and action. My friend, Mr. Ranga Iyer, has asked that the Railway Board Members, should be Indians. If they have not done that this year, I can assure him that next year—I can take a bet on the floor of this House—or in two years it will be done. It is time that my friend, the Leader of the House, should read the signs of the times and Indianise the Railway Board, so that what he talks in the Executive Council of which we have no knowledge but will soon have it on the 2nd of next month when the Honourable Member addresses us on the Round Table Conference discussions, may be put into practice. My Honourable friend must prove that he is acting up to the spirit of conciliation, up to the spirit of transfer of power from that side to this side. It is no use speaking sweet words. It is no use breathing sweet words. The transfer of power should be done in actuality to show that the Government side is honest. My Honourable friend, Sir George Rainy, spoke a few words about Indianisation in his budget speech and said:

“The other point to which I wish to refer is the question of Indianisation. I should like to bring to the notice of the House the fact that the percentage of officers of Indian domicile recruited for the State managed railways during 1929-30 was 70·7 per cent. but when promotion from the Local Engineering and Traffic Service are taken into account, the percentage rises to over 75. I think this result is satisfactory.”

Then he said he could not find mechanical and electrical engineers in India and they are being recruited from abroad. We also learned the other day that the non-voted heads are going to be increased. We know that although this percentage of recruitment may be the actuals for the permanent heads, every day temporary European hands are recruited. I remember four years ago when I challenged Sir Charles Innes on the floor of this House: he only gave out that 84 hands were taken as temporary hands, but everybody who has any knowledge of railway services, knows that there are 500 or 600 Europeans at present working in temporary new construction works, and there no Indian is allowed a chance. That is the spirit of Indianisation and today if my Honourable friend . . .

Mr. President: May I draw the Honourable Member's attention to the fact that his speech would be relevant on motion No. 17 which deals with the Indianisation policy of the railways; the present motion deals with Indianisation of the Railway Board.

Mr. B. Das: I bow to your ruling; it has been our practice when we talk

Mr. President: There is another motion on the order paper—motion No. 17—on which the Honourable Member will be quite in order in going into all these questions. The present issue is only with regard to the constitution of the Railway Board.

Mr. B. Das: If I can talk here as an engineer who has some inner knowledge of engineering and who can speak with expert knowledge, I can say today there is no necessity for a single European Member—I do not mean any disrespect to my Honourable friend, Mr. Parsons who belongs to the heaven born service, and who will be something big, if nothing else, a Governor, some time next year in some province: but the Railway Board today can be completely Indianised. There are enough technical experts in India; there are enough commercial magnates and industrial magnates

[Mr. B. Das.]

in India who can manage the railways much better and will not show that ineptitude and inefficiency that the present technical advisers of my Honourable friend, Sir George Rainy, have shown. We find there are so many jobs created there—Directors and Deputy Directors; but if one wants to spot an Indian, they can be counted on the fingers of one hand. If my Honourable friend, the Railway Member, is actuated with the spirit of Indianisation, he would have put an Indian as an understudy to every European Member who might be an expert or might not be an expert, whom accident or circumstance or probably an agreement with the Secretary of State had brought to that position. But this is not done. The policy of the Railway Member has never been such than an Indian ever acts as an understudy to a European Member whether he is a covenanted hand or a full-time man, so that he could replace him in time. That is not the proper spirit, and if the Honourable Member does not act in that spirit I again repeat my warning, whether the Honourable Member be in India two or three years hence or not, we will have to take drastic steps. As my friend, Mr. Ranga Iyer, said, we may make mistakes, but we will learn from our mistakes and will manage our railways much better than they are managed today by the Europeans.

The Assembly then adjourned for Lunch till Half Past Two of the Clock.

The Assembly re-assembled after Lunch at Half Past Two of the Clock, Mr. President in the Chair.

Mr. President: We will now resume further consideration of Mr. Ranga Iyer's motion.

Mr. Jagan Nath Aggarwal (Jullundur Division: Non-Muhammadian): Sir, I do now know whether it is a live issue that we are discussing today, I mean this question of Indianisation of the Railway Board. Members of this House will remember that in the great Holy of Holies, the Executive Council of the Viceroy, this experiment was tried in the time of Lord Morley. We all know the great hesitation with which that step was taken and what dangers were threatened for the Government of India and for the peace and prosperity of this land and of its connection with England if that step was taken. The experiment was tried and it has been tried now for the last 20 years many a time over and over again, and we all know with what results. But the point that we have before us this afternoon is shortly this, that in this great cabinet which helps the Governor General in the administration of this country, the experiment of having an Indian, and now more than one Indian, has been tried without any grave danger to the State, and that is now one of the settled principles of administration. Now we have Indian Members in the Secretary of State's Council, in the Governor General's Council and in all other high administrative bodies, and no dire results have followed. The motion which has been moved by my friend, Mr. Ranga Iyer, is simply this, that

the Railway Board should be no exception to this policy. This is an important Department under the control of the Government of India, which advises it on railway matters, and it is rather late in the day that we have to complain from this side of the House that no chance has been afforded to Indians to serve on this Board. I know it will be said from the other side, "Oh, yes, men of the requisite experience and technical knowledge are not available". I put it aside for the moment, and would point out that men are not born with expert knowledge. You have to find the men, you have to train them and give them the necessary opportunities to qualify themselves. Do not give them the opportunity first and then put it forward as an excuse for keeping them out. I go further and say this. Self-government implies the idea that you have a right to make mistakes. The idea is not that all experts in the world have got to be drafted on to this country to rule us, to give us the most efficient administration in the world. That argument cannot stand for a moment. If that were so, perhaps we could find German administrators much more conversant with running the bureaucratic machine, much more efficiently than the English Government runs the administration of this country. But the whole point underlying this claim is that we should have the right to run this machine ourselves. Englishmen have run it so long, and now we should be given the opportunity, slowly, to come into the line to run the machine, and if we make mistakes, we will learn by experience. That is what is implied in this demand, and I submit, Sir, that it was time that the Honourable occupants of the Treasury Benches stood up and said, "We bow to this principle and we will make an earnest attempt to make a beginning and show that we are serious about it". I do not think, Sir, that this is a question on which there can possibly be any difference of opinion. The only point is that we should be given the opportunity to carry out this suggestion, and we are looking forward to an opportunity to do so. I therefore submit, Sir, that this is one of those matters in which there should not be any difference of opinion.

Now, Sir, as I was submitting, in Lord Morley's "Recollections" a good deal was said with regard to the first appointment of an Indian, and I will just read to the House the doubts which were entertained then, though that is past history, but that will fortify the hands of the Treasury Benches in trying an experiment of this kind in the Railway Board. At page 294 of Lord Morley's "Recollections", Vol. II. we find him saying:

"I am sometimes to end the controversy by submitting Sinha to the King's pleasure right away. But neither Parliament, nor our honest public outside, has any relish for *coups*. Nor have I. You remember the fearful row in 1871, on the abolition of Army Purchase by Royal Warrant, i.e., by Prerogative. The appointment to your Council is by the Crown, on the advice of the S. S. and nobody else has any *locus standi* in the appointment, and it is all by Statute. Still, though to have made a Native Member compulsory by a clause in our Bill would have lost the Bill in the H. of L. on the other hand it might look unreasonably rough to dismiss in advance all chance of a little discussion, considering that Lansdowne has already given us notice that he does not like the thing. As soon as my Bill is through the Lords, I do not propose to postpone the appointment beyond that and so on."

The House will see with what amount of hesitation Lord Morley took the first step. It looked as if he was taking a plunge in a deep river, but experience has justified that decision. I therefore submit, Sir, that the present is a very opportune time indeed when Government might accede to the suggestion of my Honourable friend Mr. Ranga Iyer.

Raja Bahadur G. Krishnamachariar (Tanjore *cum* Trichinopoly: Non-Muhammadan Rural): Sir, I join in supporting the motion made by my friend, Mr. Ranga Iyer, regarding the Indianisation of the Railway Board. Considerations have been laid before this House which it is not my intention to repeat, but there is one matter which I am perfectly sure has not been referred to, and it is this. May I respectfully ask as to who runs the administration of the office? It is not the two or three people at top who sit over there. The entire material from the filing of a letter for correspondence as soon as it is received in the office right up to the time the papers go out to the Member, the whole thing is worked up by subordinates who are Indians. Well, Sir, whether they have experience in these things or not, it is they who collect all the materials, and it is they who place before you everything cut and dried in order to enable you to come to a decision. And so far as the final decision is concerned, it is not a policy of such high standard that a **man** of ordinary intelligence with the materials before him cannot come to a conclusion. You know, Sir, that even in the most complicated cases before criminal courts, the juries' verdicts are final, and juries are not trained people. The whole requisite is that you want the material, and it is the Indian, it is the subordinate, it is the class of people who come up to the position of Assistant Secretary, that collect all these materials and place them before you. Once the materials are there—I quite admit the high training that these people have got as Members of the Railway Board—they collate them, they collect them, compare previous decisions and then come to a final conclusion. Cannot any Indian do it? Is it possible to state that an Indian placed in those circumstances cannot come to the same conclusion as the present Members of the Railway Board? If any illustration is necessary, I would invite attention to what happens in the High Courts. In the High Courts most of the Judges are Indians, and not only in the High Court but in the subordinate judiciary most of them are Indians, and collectively speaking, there has been a chorus of compliment as to the way in which the judiciary has discharged its duties so far, and there has not been the slightest trace of complaint that the service has been practically Indianised. How do they do it? There are the laws which they have studied; there are the materials which are placed before them on both sides, in a most elaborate manner if it is a big case, and in a fairly comprehensive manner if it is a small case, and all that the Judge has got to do is, with the background of training that he has got, to come to a conclusion one way or the other. And, after all, when these conclusions are reached, it is not that the European Members do not make mistakes, and as my Honourable friend, Mr. Aggarwal, has said, allow us to commit mistakes. Try us, and when you have done so, you will find that there is nothing to repent. So, I submit that this House should agree to this motion of my Honourable friend, Mr. Ranga Iyer.

Sir Abdur Rahim: I just wish to put in one or two words. I do not think that the principle underlying this motion will be objected to on any side of this House. The only thing that is required is to begin Indianisation of the Railway Board as well as of the Agentships of the Railways as soon as it may be practicable. When I use the word "practicable", I know that it has received different interpretations at different times.

But I think that in a case of this sort, it ought to be quite possible, on the occurrence of the very next vacancy, either in the Railway Board or in the staff of Agents of the various railways, to fill it with an Indian. I am perfectly aware that these offices require a great deal of experience and requisite training. At the same time, I do not think that there is anything in the nature of the duties entrusted to these high officials which can be said to be the exclusive property of any class of officers belonging to a particular race or community. I believe, so far as my information goes, that there will be men available if the Government once make up their minds to appoint an Indian in the next vacancy that may occur either in the Railway Board or in the staff of Agents of the State-managed Railways.

Sir, the history of Indianisation of the various services is well-known to every one, and some of us had occasion to deal with it at great length. What has been read out to us from Lord Morley's book only illustrates that there are always difficulties in making the first appointments. Once that difficulty is got over, the path is clear for further progress, and I do not think that any one on the Government Benches, much less the Honourable the Leader of the House who is in charge of this portfolio, will object to progressive Indianisation of the Railway services at the top. We have at present four Members on the Railway Board, one of whom is our Honourable friend, Mr. Hayman; but I think that there is room for more Indians there, and I do ask the Honourable Sir George Rainy to consider this matter very carefully as soon as a vacancy occurs. I do not think it is necessary for me to add more, and I feel sure that the Honourable Member in charge of this Department will give the subject very careful attention.

The Honourable Sir George Rainy: Previous speakers on this cut have been commendably brief and I will try to follow their example. I should like to begin with what fell from my Honourable friend, Mr. Ranga Iyer, who quoted from a speech of Mr. Srinivasa Iyengar in which he said that it was necessary to have Indians on the Railway Board in order to control policy. The explanation that I am going to give is an explanation that has been given in this House before, and it is simply this, that the determination of policy does not lie in the hands of the Railway Board, the determination of policy rests with the Government of India. And when, again, he quoted from, I think, Sir Purshotamdas Thakurdas the statement that the real question was whether the policy should be directed in the interests of England or in the interests of India, he was, if I may put it in a colloquial phrase, barking up the wrong tree. My Honourable friend ought to devote his attention to displacing the Railway Member of Council, and not the Members of the Railway Board. I do think, Sir, that this distinction is of importance. I do not suppose that there is any of us on the Treasury Benches who feel now the difficulties which were undoubtedly felt more than 20 years ago when the question of the appointment of Indians to the various Executive Councils was first mooted. Whatever apprehensions might have been felt then, they have, of course, long since passed away. But that is not the question now. It may be asked, why, if it is so clear about Memberships of the Government, is it not equally clear about Memberships of the Railway Board? It all depends upon the particular form of organisation that has actually

[Sir George Rainy.]

been adopted, namely, whether the Board to which you entrust the administration of the Railways is to be an expert body, or whether it is not. There are, of course, boards, or committees or bodies with a different kind of constitution. For example, in a big Company-managed railway, the Directors are not necessarily railway experts; the Board may include experts, but it will also include others, most of whom no doubt with wide business experience, but not necessarily railway experience. Then again the management of the great ports of India is entrusted to the bodies of Port Commissioners and while the head of that body, at any rate if he is a whole time Chairman, is probably an expert in port management, the great bulk of the commissioners are not experts but are business men for the most part. That is one form of organisation but the organisation actually in existence today in the Railway Board is different. The Chief Commissioner of Railways is the head of the system, and he of course, being somewhat in the position of a Managing-Director, must necessarily be a railway expert. Then we have the Financial Commissioner and from the nature of his duties he must clearly be an expert in dealing with financial questions. Of the other three Members, one is specially charged with the supervision of engineering work of all kinds, another with operation and commercial management and the third with duties connected with the staff. Now, I do not for a moment say that it is impossible to change the organisation, so that there would be at the head of affairs at Board—or whatever title it might be thought fit to give it—a Board or Council, very much analogous to a Board of Directors, which would contain experts but also people with business or other experience. That might be perfectly feasible. I am not saying a word against it, and indeed, if the decision were reached that it was necessary to Indianise the Railway Board at an early date, I think some plan on those lines would have to be adopted. But that would not in the least diminish the need for a principal expert officer in each branch who is at present a Member of the Board, but who under this possible constitution to which I have referred, would probably not be a member of the Board but one of its principal executive officers. Under the present constitution the case has a double aspect for the Members of the Board are at once the principal experts in the various branches which they control and are also charged with the general administration of the railways, and this creates a difficulty. If it were merely a question of general administration, I do not say that there ought to be any great difficulty in finding Indians who could be appointed, but when the same man has also to be the principal expert in his own branch, then there is a difficulty. It is not a difficulty that need necessarily be insuperable. A vacancy will occur this Summer, an acting vacancy owing to the absence of a Member on leave in the Engineering Branch and it is proposed to appoint an Indian to act as a Member of the Board. (Applause.) But I wish to claim no credit for this. I am appointing him not because he is an Indian, but because he is the best man we have got for the job. I ought to make that perfectly plain. It would be most unfair to the officer concerned to suggest that I was selecting him for any other reason, and that is what I feel very strongly. So long as the Board is constituted as at present, I think it would be putting an Indian officer in a thoroughly unfair position to go on the basis, that he is appointed because he is an

Indian and not because he is the best man. As I have said, I do not for a moment shut out the possibility that another form of constitution might be found, in which the Railway Board would be more like a Board of Directors, in which it would be quite possible to find places for Indian business men, or Indians with other forms of experience, who would be charged with the administration of the railways. The whole question will of course come up for consideration, must come up for consideration in connection with the constitutional reforms. I do not see how that could possibly be avoided and that will be the time to consider what changes are desirable and necessary. But meanwhile I should like to repeat again that neither I nor any other Member of the Government has in the slightest degree the sort of feeling that this is to be a sacred Department, in which Indians are not admitted. While none of us have that feeling, we have to consider the other aspects of the case to which I have drawn attention and they make it impossible for me, so long as the present constitution of the Board continues, to give any undertaking as to what may be done when a particular vacancy occurs.

Mr. C. S. Ranga Iyer: I do not want to make a long reply, but I should like to say one or two things. In the first place, it occurred to me, Sir, when the Honourable the Commerce Member was speaking and taking his stand on efficiency and not on Indianisation in regard to the new vacancy, he was really begging the question. I venture to state with all the emphasis I can command that it has been the deliberate policy of the Government to exclude Indians from the Railway Board, for reasons which have been time and again mentioned on this side of the House. I do not want to mention those reasons. When the Honourable the Commerce Member comes forward and says that he is appointing an Indian, because a vacancy has arisen and the Indian is competent, does it follow that there are other Indians who are not competent? Give them the opportunities. Look at the railways all over the country. Is there a single Indian Agent of the Indian railways? These railways have been feeding several mouths in England. They have been feeding several Englishmen in India and the men that these railways feed ought to be grateful to the country which is feeding them and provide opportunities for Indians. For the last 150 years they have been ruling us in this country. The Railway Board has become almost a rival institution to the Governor General's Executive Council. It is all well and good to say that the Railway Board are responsible to the Railway Member. Nobody disputes that. My question is not one of responsibility at all. The Railway Member was not answering my question when he said that Sir Purshotamdas or for the matter of that Mr. Srinivasa Iyengar were assuming a particular attitude with regard to control. I merely quoted that as a particular view point. I do not present that view point today because I find that Mr. Neogy had given a cut in connection with "The Constitution of the Railway Board." I was merely emphasising the question of the Indianisation of the Railway Board and the Honourable the Commerce Member is animated by the same animus towards the association of Indians in the Railway Board which characterized his predecessors in those days when Indians demanded the Indianisation of the Viceroy's Executive Council. If the Government mean business, I expect them, as soon as vacancies arise, to provide jobs for Indians as

[Mr. C. S. Ranga Iyer.]

Agents of the railways. When that comes about, Indians will justify their choice, but in the meantime I am extremely disappointed
3 P.M. with the Honourable the Railway Member's speech.

Mr. President: The question is:

"That the Demand under the head 'Railway Board' be reduced by Rs. 100."

The Assembly divided:

AYES—40.

Abdur Rahim, Sir
Aggarwal, Mr. Jagan Nath.
Anklesaria, Mr. N. N.
Azhar Ali, Mr. Muhammad.
Bhuput Sing, Mr.
Chetty, Mr. R. K. Shanmukham.
Das, Mr. A.
Das, Mr. B.
Gour, Sir Hari Singh.
Ismail Ali Khan, Kunwar Hajee.
Jadhav, Mr. B. V.
Jha, Pandit Ram Krishna.
Jog, Mr. S. G.
Krishnamachariar, Raja Bahadur G.
Misra, Mr. B. N.
Mitra, Mr. S. C.
Mujumdar, Sardar G. N.
Neogy, Mr. K. C.
Pandian, Mr. B. Rajaram.
Pandit, Rao Bahadur S. R.

Puri, Mr. B. R.
Raghubir Singh, Kunwar.
Ranga Iyer, Mr. C. S.
Rao, Mr. M. N.
Rastogi, Mr. Badri Lal.
Reddi, Mr. P. G.
Roy, Kumar G. R.
Sadiq Hasan, Shaikh.
Sant Singh, Sardar.
Sen, Pandit S. N.
Shafee Daoodi, Maulvi Muhammad.
Shah Nawaz, Mian Muhammad.
Shahani, Mr. S. C.
Singh, Mr. Gaya Prasad.
Sitaramaraju, Mr. B.
Sohan Singh, Sardar.
Thampan, Mr. K. P.
Tun Aug, U.
Yamin Khan, Mr. Muhammad.
Ziauddin Ahmad, Dr.

NOES—42.

Abdul Qaiyum, Nawab Sir Sahibzada.
Acheson, Mr. J. G.
Alexander, Mr. W.
Allah Baksh Khan Tiwana, Khan
Bahadur Malik.
Ayyangar, Diwan Bahadur V.
Bhashyam.
Baipai, Mr. R. S.
Banarji, Mr. Rajnarayan.
Baum, Mr. E. F.
Boag, Mr. G. T.
Cocke, Sir Hugh
Clerar, The Honourable Sir James.
Datal, Dr. R. D.
Fox, Mr. H. B.
French, Mr. J. C.
Graham, Sir Lancelot.
Gwynne, Mr. C. W.
Hamilton, Mr. K. B. L.
Hayman, Mr. A. M.
Heathcote, Mr. L. V.
Hezlett, Mr. J.
Jawahar Singh, Sardar Bahadur
Sardar.

Khurshed Ahmad Khan, Mr.
Maswood Ahmad, Mr. M.
Montgomery, Mr. II.
Moore, Mr. Arthur.
Morgan, Mr. G.
Mukherjee, Rai Bahadur S. C.
Parsons, Mr. A. A. L.
Rafiuddin Ahmad, Khan Bahadur
Maulvi.

Rainy, The Honourable Sir George.
Rajah, Rao Bahadur M. C.
Roy, Mr. K. C.
Sahi, Mr. Ram Prashad Narayan.
Sams, Mr. H. A.
Schuster, The Honourable Sir George.
Scott, Mr. J. Ramsay.
Sher Muhammad Khan Gakhar,
Captain.
Shillidy, Mr. J. A.
Studd, Mr. E.
Sykes, Mr. E. F.
Tin Tüt, Mr.
Young, Mr. G. M.

The motion was negatived.

Grievances of Third Class Passengers.

Mr. C. S. Ranga Iyer: Sir, the next motion runs thus:

"That the Demand under the head 'Railway Board' be reduced by Rs. 100."

I do not want, Sir, to take more than three minutes on this very hardy annual, but which nevertheless is a very important question. Sir, in England and on the Continent, though there are third class passengers in large numbers, you do not find the same overcrowding. (*Several European Non-official Members*: "Question", "Question".) Have the Railway Board thought over that? I find some European Members on that side of the House questioning my statement that there is no overcrowding in third class compartments in England. I believe they forget that the very make-up of the compartment is different. Each passenger is provided with a seat which has something in the nature of a moveable arm, or I do not know how to put it, in certain of the compartments. In certain other compartments people wait their turn, because a large number of trains is run and therefore the people can take their turn. They wait in queues outside the platform gate as at the booking office. They do not rush into the compartments. Unfortunately in India the trains that are run are very few and far between. Therefore the passengers are packed in in an awful manner. If the European Members over there have any idea of how compartments are packed in this country, they will be the very first to say that there is some kind of contrast between overcrowding in third class compartments in this country and in their own country.

Mr. Arthur Moore (Bengal: European): What about strap-hanging?

Mr. C. S. Ranga Iyer: I would ask the Honourable Member to rise up and develop that argument himself, and also try to help us in some of the difficulties that we have got and tell the Honourable the Railway Member how to solve those difficulties, because I think he is also interested not only as a journalist but also as a Member of this House in removing the grievances of the third class passengers. Sir, the third class passengers are the backbone of the railways. The enormous income that comes to the railways comes through them, and it is but fair that this overcrowding of the third class compartments should be reduced and the Government should pay a little more attention to this question which has been year after year put before them in lengthy speeches.

The Honourable Sir George Rainy: Sir, I must say that the Honourable Member has given me singularly little material for a reply because, beyond a reference to what he said was a well-known state of affairs and a denial that overcrowding existed in England there was no point of substance taken. On the point of overcrowding in England I would admit at once that, except on special occasions when there is some special rush of traffic or on the suburban railways during the rush hours, you do not get overcrowding to the same extent as in India. I do not know if my Honourable friend has travelled on the Italian railways. But I know that in 1921-22 I saw overcrowding on the Italian railways to an extent which was I think quite as bad as anything that I have seen anywhere. If one wished to go from one's carriage to the restaurant car one found the corridor crowded from end to end and it was extraordinarily difficult to get through the crowd at all. However, we are not so much concerned with what takes place in other countries, as to try and improve what takes place in our own country. Now, this question of overcrowding in railway carriages is one of those connected with the comfort and convenience of passengers which have been fully considered by the Central Advisory Council during the last 18 months. All the various suggestions that were made for

[Sir George Rainy.]

increased comforts for passengers were considered by the Council, and every suggestion made was communicated to the Agents. What we found most effective in preventing overcrowding was the holding of censuses from time to time of particular trains. That is done on some day not announced beforehand. A census is taken at a series of stations all down the line on one of the through trains, and if it is found that there is overcrowding, arrangements are made to run additional trains at the points where the overcrowding takes place. Very often you find that the overcrowding is not from one end of the journey to the other but for one particular section, and it may be possible to remove that overcrowding by the addition of one local train. I think that system was first initiated on the Bombay, Baroda and Central India Railway at the suggestion of its local Advisory Committee. It has since been extended, I believe, to all the large lines. In that way it is possible to find out what the state of affairs is and to take measures to put things right. But it is not the case that it is a matter to which we in the Railway Board and in the Government of India are in any way indifferent. We are doing our best to bring about an improvement. At the same time I must repeat the warning which I gave when I introduced the Budget and remind the House that, when the most insistent and urgent need is economy, it is not possible to provide services on the scale we should like to do and as we are able to do at more prosperous times. I think, Mr. President, I have covered all that my Honourable friend has said.

Mr. C. S. Ranga Iyer: Sir I beg leave to withdraw the motion.

The motion was, by leave of the Assembly, withdrawn.

Indianisation Policy in the Railways.

Mr. C. S. Ranga Iyer: Sir, I do not propose to move motions Nos. 15* and 16† as I find identical motions later on standing in the names of other Honourable Members. So I will move motion No. 17 which runs as follows:

“That the Demand under the head ‘Railway Board’ be reduced by Rs. 100.”

I do not want to take up much of the time of this House in regard to this matter, but I have got certain specific grievances which I want to place before the Honourable the Railway Member. Sir, I find on page 58 of the Report by the Railway Board on Indian Railways for 1929-30 Indians being described as “Statutory Indians”. We find under “Statutory Indians”, Hindus, Mussalmans, Anglo-Indians and other communities. It is very interesting to be told by the Government of India that the Hindus are Statutory Indians or for that matter the Mussalmans. I think we are Indians; we are not Statutory Indians. By Statutory Indians we hitherto understood that it meant those who have been made Indians by statute, that is to say, Anglo-Indians. I suppose it is as a cloak for the kind of arrangement that has been made in the memoranda that have been

*“That the Demand under the head ‘Railway Board’ be reduced by Rs. 100 (Labour problems in the G. I. P. Railway.)”

†“That the Demand under the head ‘Railway Board’ be reduced Rs. 100 (Publicity Bureau and the need for reduction if not abolition.)”

submitted to us, that they have used the term "Statutory Indians". It was in the year 1925 that they did not give any specific figures in regard to Anglo-Indians. They included them under "other communities". But I find that that has been improved on in the Report for 1929 and also in the table under 1930. I would suggest to the Railway Member when the Railway Board present their Report next time, to take note of two things, to remove the word "Statutory" before Indians; and if the Anglo-Indians are unwilling to be called Indians and it is only to bring them under the more comprehensive umbrella of "Statutory Indians" that this proviso has been made, they may as well appear in a different category altogether as they did appear before the phrase "Statutory Indians" was discovered as applicable to the Indian people. That is the first thing which I want to bring to the notice of the Railway Member. The second thing that I want to bring to his notice is this: Europeans in the State-managed railways number 800, and the total number of Indians is 470; and under "Indians" you also include 101 Anglo-Indians. There are, I find, only 55 Mussalmans,—the number is indeed very small in proportion to their population. You also find among "Other communities", 51. It would, I think, be better in the interest of the policy that the Government have inaugurated in this Session henceforth to note down the numbers and names of the other communities as well. They ought to show the figures not only under the categories of Hindus and Muhammadans and Anglo-Indians but also Sikhs and other communities. Perhaps my friend, Mr. M. C. Rajah, wants that the Depressed Classes should be shown separately and he is entitled, I think, to demand that there should be a column for the depressed classes. Let the Government leave it blank if there are no representatives of the depressed classes; but let them give the depressed classes the opportunity to show and to know whether they have been deprived of their rights under the more comprehensive phrase "other communities". I cannot find from this Administration Report how many Sikhs are among the gazetted officers on the State-managed railways and also on the Company-managed railways. I do not know how many Parsis there are and how many members belonging to the depressed classes there are. I do not know how many Indian Christians there are. The Sikhs, for instance, are a very important section in the Punjab. They have a very valuable record. I will not describe them as some one described them in this House as not birds but "bats". They are neither birds nor bats, Sir, they are not beasts either. They are men and men who have done a great deal for India and for themselves and for the Punjab, as well as for the whole country, and I do think that they should also be included under this grouping of Indianisation.

Now, Sir, I come to the question of number. The number is really most unsatisfactory. For instance, in the Company-managed railways you have 1,415 Europeans and it is stated that you have only 732 Indians, I mean in the gazetted rank. Here, Sir, I might also point out that the Administration Reports are not sent to the Members of this House. They are given them no doubt the moment they apply for them. But it will be convenient if just some days before the actual discussion, the Members are provided with the Administration Reports, because I do feel that many Members sitting behind me have perhaps not seen the Administration Reports. Some even do not know that the Administration Reports

[Mr. C. S. Ranga Iyer.]

are available. I am sure if they had gone through them, they would have been able to present the case much better than I am able to do myself. It is unfortunate that the Railway Member did not circulate this Administration Report to the Members here, because the Memorandum they have sent to us does not contain the facts that you have on page 58 and other pages of this Report, and in the brief time before me it is not possible for me to go into all these facts and to criticise them, and it is but proper that Members should have these before them before the general discussion on the Budget is raised.

Sir, let us study the figures for 1930 as given in the Administration Reports and see if Indianisation is being carried on as it ought to be, or if Europeanisation is still predominant, and if so, to what extent. Among the gazetted officers in the State-managed railways in 1930 there were 800 Europeans, as I said; Indians, 369 and Anglo-Indians 101. But if you group Indians and Anglo-Indians under the category of Indians, which I do not propose to do until the Anglo-Indians agree to call themselves Indians, then I can understand the compilation that they have come to here under the head, "Statutory Indians".

Then, Sir, I come to those who are getting a pay of Rs. 250 per mensem and over on Class I railways as shown on page 59, of the Administration Report. There you find that there are 1,415 Europeans and 1,570 Hindus. Fancy, we are supposed to be a majority community, Sir, and we are supposed to be drowning everybody else as Maulvi Muhammad Yakub made out in his speech yesterday. We are told we are the "swallowers" of everybody else and we are only 1,570, while Europeans are 1,415. That is what the statement of subordinates on scales of pay rising to Rs. 250 per mensem and over on Class I railways, excluding His Exalted Highness the Nizam's Guaranteed State and the Jodhpur Railways, on the 1st April, 1930, shows.

Now I come to the Mussalmans who have a larger stake and a larger grievance in this country. There are only 326 of them. Fancy, 1,415 Europeans and only 326 Mussalmans. I do not want that Mussalmans should not have their chance; but I would rather suggest it should not be at the expense of the Hindus who are the sons of the soil, but at the expense of the Europeans because, after all, we have a right to Indianise the services. Sir Abdur Rahim, in his beautiful speech, has pointed out that everybody must live and let live, and let us not in this course of Indianisation try to fight against each other. Mussalmans must have their right; so must Sikhs; so must the Hindus, and there is ample room for progress for all. We have 1,415 Europeans if you please, and then we come to the Anglo-Indian community. 2,652 Anglo-Indians, that is what this statement shows. How many Mussalmans? 326. Take the proportion in the population. Are the Mussalmans a large number in the population? Are the Anglo-Indians a larger number in the population? And take my own majority community, which does not like to be treated as a woeful minority in the country, and the Hindus are only 1,570.

Then other classes. I do not know how many Sikhs are included in the "other communities". I do not know how many members of the Depressed Classes are included in it; I do not know how many Indian Christians are included in it. But each of these classes, taken individually, have a larger number of population in this country and I think I am entitled to

ask the Railway Board, I am entitled to ask the Railway Member, is this the manner in which they have been carrying on Indianisation? I have not so far had a reply from the Honourable the Railway Member to my suggestion that the recruitment of Europeans and Anglo-Indians must stop until and unless racial proportion is equalised, and I do hope, Sir, that this matter will engage the attention of the Government and the Railway Member. Now they have taken the bold step in the direction of recognising one community's interests even though not adequately, not satisfactorily as its representatives have pointed out. But once you have taken that step, you must follow it up with courage, which alone can bring about results that are satisfactory. Therefore, Sir, I do hope that the Honourable the Railway Member, while replying, will bear these points in mind. And I hasten to conclude as I do not want to deprive other speakers, if there are any—because it is an important question—of their opportunity to speak.

Mr. B. Das: Sir, I congratulate my friend, Mr. Ranga Iyer, on his very able speech on this motion. He has pointed out the main trouble about Indianisation. He has told us how statutory Indians predominate on our railways besides the Europeans. I do not mind recognising statutory Indians as Indians as long as they come and accept the status of Indians; but so long as they are allowed special privileges in the Auxiliary Force and the Territorial Force and so long as the railway authorities take these statutory Indians employed in the Auxiliary and Territorial Forces to shoot down the Indian railway workmen I condemn the employment of every statutory Indian on the railways. I think the time has come or it is coming very shortly when the statutory Indian, whoever may be their representative here or outside in the country, must give the Indians this assurance that they want equal rights and equal status with Indians and they do not want to come by the back door to shoot us innocent people from the front. Mr. Ranga Iyer has proved that the Europeans and Anglo-Indians are predominating in our railway services, and in the name of Indianisation, Anglo-Indianisation is going on.

As I was pointing out, although I appeared to be a little bit irrelevant on the previous cut, I was only criticising the Railway Board because they set the policy of recruitment of Indians in the various railways. As I was saying, although this 70 per cent. or 60 per cent. of Indian recruitment in the permanent cadre may be true, there are thousands of Europeans today serving as engineers and in other jobs on the temporary cadre, and everybody knows there is a census survey going on; when the census report is out, if those who are taking this enumeration put down the posts of these Europeans who are engaged in the different railways on temporary service, it will be found that the number of these temporary Europeans and Anglo-Indians is myriad and in every case they take the bread out of the mouth of a qualified Indian who may have qualified himself in and out of India.

I do not want to speak again about the civil engineers about whom I have spoken on previous years and something has been spoken this year, but I want to speak on behalf of the mechanical and electrical engineers who never find any recruitment in India. Three or four years ago Pandit Madan Mohan Malaviya brought up prominently the case of an Indian gentleman recruited as a locomotive engineer, Mr. Banerji and

[Mr. B. Das.]

how he was hounded out of the locomotive department of the East Indian Railway. The same process is going on today. Such is the system of training and treatment by the European superiors that any Indian who is taken as a probationer is hounded out of the service and he is not allowed to remain in the service. The process of electrification in the G. I. P. that I referred to the other day was it was said a process to bring more revenue to the G. I. P. I challenge that. It was only another method of Europeanisation of the services on the railways. So far as I understand, the consulting engineers, Messrs. Merz and McLellan are still controlling the system of appointment of electric engineers in the G. I. P. railway at Kalyan Power House and those portions of the railway which have been electrified. It seems that the Railway Board asked Messrs. Merz and McLellan to engage a few Indians—I have got the whole case before me—and it seems they at last recruited four Indians who have now served five years there and who did their work admirably.

(At this stage Mr. President vacated the Chair which was taken by Mr. Deputy President.)

But such is the Railway Board's policy, it may be there is an order—may be a written order or may be oral instructions gone down from the all-high quarters of the Railway Board—no Indians should find a place as electrical engineers in the Railway Department and in the electrification scheme of the G. I. P. Railway and today in the Kalyan Power House, as far as I understand, Europeans get a salary of Rs. 11,000 total per mensem, while the Indians get a few thousands as clerks, charge men, etc. I can hand over the cases of the four gentlemen who have worked for five years for Messrs. Merz and McLellan and I want to ask the Honourable the Railway Member the question whether these engineers who were engaged by the consulting engineers at the suggestion of the Railway Board and if so whether these engineers have not proved their fitness for those jobs during these five years. What is the necessity of driving them out today? I say those who are in the Railway Board or looking after the technical side of the G. I. P. railway want to drive out every Indian so that another European can be engaged.

The Company-managed railways have not come up to their agreement about Indianisation which the Honourable the Railway Member and the Railway Board wanted them to fulfil. If they accepted the Lee concessions of 1924 they ought to have come forward and Indianised their superior services whether transportation or engineering or any other department to the extent of 75 per cent. It may be that my friend Mr. Hayman has visited the different Agents five times in the year, but I want to know from him what explanations they can offer for this slow process of Indianisation and I challenge any Agent who will say that he cannot find an Indian to become a transportation officer or an engineer, whether mechanical or civil in the different railway administrations.

My friend, Mr. Ranga Iyer, rightly drew attention this morning to the fact that so far no Indian has been appointed as an Agent. As far as my recollection goes, no Indian has yet been appointed even to act as Deputy Agent. I would like to be corrected if I am wrong and if there is one single solitary instance of an Indian working anywhere as a Deputy Agent. You do not want a senior officer for this job. But

you cannot find even Indian Divisional Superintendents on the various railways. I am not talking of the company-managed railways: I am talking of the State Railways, the E. I. R., the G. I. P. R. and the N. W. Ry. What is the use of talking about Indianisation of 60 and 70 per cent. when the spirit is Europeanisation and European control and the Indian should be placed only in subordinate positions and should be dismissed or sacked for no fault of his because he does not fit in with the spirit of Europeanisation policy of the Railway Board?

There is another fallacy which I want to expose as regards this system of recruitment of engineers and transportation officers by the Public Service Commission. Last year I drew the attention of the Railway Member to this and I again draw his attention to it. An expert, either a mechanical engineer or electrical engineer from the Railways of the Railway Board goes to advise the Public Service Commission in the matter of selection and usually it is a European because there are no Indian mechanical or electrical engineers on the railway at present. And what does he do? In the process of cross-examination he eliminates every Indian candidate and when we come even to chargemen who are appointed on Rs. 600 or Rs. 700 in the E. I. R. and G. I. P. railway, though they are not superior services—they are only provincial services—even there Indians are not recruited for those posts. How long will this policy of discrimination go on?

Then there is another thing, Sir. Sir Clement Hindley while he was a Member of this House,—I think this House was too democratic for him and he translated himself to another sphere,—Sir Clement Hindley explained his policy of Indianisation by telling us that he has started Railway schools at various centres such as at Chandausi, Jamalpur and Dehra Dun. But what is the system? The system is such that no qualified Indian officer can come out of those schools unless a man has spent five or six years there. That means the process of Europeanisation goes on, and these youngsters who will come after six years will naturally take a much junior place. A friend of mine while travelling on the E. I. Railway came across two Anglo-Indian boys who were returning from a competition for admission into the Jamalpur School, and one of those Anglo-Indian boys remarked that there were hundreds of nigger boys, as candidates, but those nigger boys could not talk English nor reply to questions, and we had our own way and we got admitted into those schools. Now, has Mr. Hayman or the Honourable the Railway Member ever taken stock of the number of applications that come from Indians, Anglo-Indians and country-born Europeans? What is the proportion of recruitment of different races to the various engineering schools whether it is at Sini on the B. N. Railway or at Jamalpur on the E. I. Railway? I have every confidence in the honesty of my Honourable friend Sir George Rainy. If he thinks that proportionate recruitment has been done on a population basis, I shall bow to whatever he says, but the information I have in my possession is quite different, and I have the authority of those who know the inside working of these things that in every case European engineers sit on the Selection Board, and they do everything to disqualify the Indian boys who are passed matriculates or F.Sc.'s or I.Sc.'s, and in every case Anglo-Indian boys who have gone through three or four standards of a European school are selected. The story—

[Mr. B. Das.]

which I just narrated indicates not only the mind of the Anglo-Indian and European boys who spend 3 or 4 years in a European school but of those who sit on the Selection Committees. My friend Mr. Chatterjee talked of the quota system, and some Honourable Member of this House said that it should apply to every community, to every province and to every locality. Two years ago my friend Mr. Parsons told us that to recruit junior accountants to the various provinces he would hold an examination in the provinces. So far as I know, no such examination has been held in any province; but if so, nothing has been done in Bihar and Orissa. I particularly drew his attention to it, and I again draw his attention, that in the process of Indianisation, whether in the superior or subordinate services, if you want to look after the Muslim seats, the depressed communities and the Anglo-Indians, do it by all means, but with regard to the distribution of posts, distribute them province by province. No provincial quota is determined nor any action is taken, because accidentally the headquarters of the Government of India happens to be in Delhi and Simla, and not in Patna or Cuttack.

Sir, I do not want to flog a dead horse. We have done it every year; everybody wants, even the Treasury Benches desire it, that there should be least bickering on the floor of this House this season and that we should arrive at a common understanding in a spirit of conciliation, and it is in that spirit we should approach this subject. If I have severely criticised the Railway Administration, it is because I feel that I being an engineer I have every right to do so, because I know the amount of ill-treatment to which Indian engineers are subjected to in the various railways, and I speak with past bitter experiences of mine and of my friends. I again appeal to the Treasury Benches that in all future recruitments let racial discrimination be banished and let an impartial body make the recruitment. Sir, I challenge the present constitution of the Public Service Commission. I do not want to drag my Honourable friend Sir James Crear to his feet but I challenge the constitution of the present Public Service Commission. Let the constitution of that impartial body which will make recruitment in future be such that no charge will be levied against them that they are practising racial discrimination and they are standing in the way of Indianisation.

U. Tun Aung (Burma: Non-European): Sir, I feel I am in a rather difficult situation with regard to this motion in view of the fact that the question of separation of Burma from India is still in the air. Although that question is not settled, I feel—and it is a fact—that we are still part and parcel of India, and as such the policy of Indianisation equally affects my own country. I have not been able to peruse the Administration Report, and so I cannot say at the present moment what is the percentage of employment given to Burmans in Burma. But as I said the other day when the Honourable the Railway Member made his speech in introducing the Railway Budget, the railway service is one of the important services in Burma, and any one visiting Burma will find that the Burmans are conspicuous by their absence in that service. The employment of Anglo-Indians is extremely prominent for reasons best known to the authorities. I cannot understand why the Burmans should not have the chance of enjoying the same privileges as other nationalities

in Burma in so far as the employment in the railway service is concerned. I feel, Sir, that the time has now arrived when this policy of Indianisation, which I say should include Burmanisation as well until the province of Burma is separated, should be given effect to in recognition of the due claim of the sons of the soil.

In the motion made by my friend Mr. Ranga Iyer he mentioned the depressed classes and other communities, but probably he lost sight of me and therefore did not make any mention of Burma.

Mr. C. S. Ranga Iyer: I owe the Honourable gentleman a most sincere apology. It did not occur to me at all, and I do say that Indianisation should apply to Burma as well. I only included Burmans under Indians because Burma has not yet been separated.

U. Tun Aung: I am much obliged to the Honourable Member that he did in his mind include Burmans in this policy of Indianisation. I only wish to say this, that so far as Burma is concerned, the Railway Member should at least ask the Agent there to make a special note that whenever there are applications made by Burmans of equal education and equal merit they should not be ignored. I understand—of course, I am subject to correction—that the services in Burma, so far as the railways are concerned, are particularly, or to a great extent, meant for Anglo-Indians. (*An Honourable Member:* "It is the same thing everywhere.") That is rather a regrettable feature, and the time has now arrived when this should be rectified. Until Burma is separated, I would ask that the policy which has been recommended by my Honourable friend, Mr. Ranga Iyer, should be followed as far as practicable in the case of Burmans also.

Kumar G. R. Roy (Surma Valley *cum* Shillong: Non-Muhammadan): Sir, I represent a class of people who do not find relief even in their provincial headquarters. On the question of railways I moved a Resolution in the Assam Legislative Council, but the reply was to the following effect:

"But we in the Public Works Department had to protest to the Legislative Department and whether this was pointed out to His Excellency, I do not know. We did protest to the Legislative Department. The resolution has however been admitted. Under definite instructions from the Government of India we the Government Members cannot discuss this resolution. All that I can, therefore, say is, that if there is any discussion over this question by non-official members, I will submit the proceedings of the discussion to the Government of India who may place it before the Railway Board for any action they may consider necessary."

That is the state of affairs there. Now, as regards Indianisation, in Government managed railways the representation of Indians is something like 1,896 against 4,067 of Anglo-Indians and Europeans. The total population of Indians is about 315,132,537, and that of Anglo-Indians about 1,13,012, and of Europeans about 1,74,057. When you have got such a big gap in this, there is no use of complaining about what is being done in our parts by the Assam Bengal Railway. The question was discussed on the floor of the Assam Legislative Council. The Assam Bengal Railway is administered without taking any notice whatever of the remarks that are made by the people in the press and on the platform, or their needs. People always cry for redress, but the Railway turns a deaf ear to them. Regarding details, I have given notice of a cut motion, and I will deal with them then. (*Sir Hari Singh Gour:* "Deliver that speech now.") (There were also interruptions by other Members.) All right.

Mr. Deputy President: The Honourable Member need not take those suggestions. He can proceed in his own way.

Kumar G. R. Roy: I moved the following Resolution:

"This Council recommends to the Government that immediate steps be taken to urge on the authorities concerned to make the following improvements for the convenience and safety of the passengers in the Assam Bengal Railway and for the general public:

- (a) That raised platforms under proper sheds be constructed at all the stations on the Assam Bengal Railway.
- (b) That facilities be provided for the passengers. . . . "

Mr. Deputy President: Order, order. The Honourable Member must remember that we are just at present dealing with the question of the Indianisation policy of the railways, and his reference to the Assam Bengal Railway must be relevant to the particular question of Indianisation.

Kumar G. R. Roy: Yes, Sir. I will come to that point. But I wanted just to give the House a little idea of the Assam Bengal Railway as to how it is run there and under whose care. Sir, I have been hearing the speeches regarding Indianisation throughout this morning and this afternoon. An argument has been adduced on the other side that efficient Indians are not to be found to take charge of the responsible posts in India, and hence it is necessary that Europeans should be recruited. But, I have one or two instances on my side here. Perhaps, the Honourable Member in charge of the railways has heard the name of Rai Bahadur Girish Chunder Das, who is the Chief Engineer of Martin and Co.'s Light Railways. I am sure he has not made a mess over there. Again, we have Rai Bahadur Rola Ram in the Eastern Bengal Railway. I think he has also not done anything which may lead the railway authorities to give a black mark against him. I do not want to take up the time of the House by naming many, and therefore the argument on the ground of efficiency cannot hold water. But it is a curious thing that Members on the other side of the House cannot cite one single instance throughout the whole world where the people who pay are not cared for by those who are paid by them, and India is the only example of that sort. We pay, but the tune is not according to our choice. That is the funniest part of the whole thing. The maxim is, he who pays the piper calls the tune.

4 P.M. Now, I see in the papers that Indians are going to get Dominion Status and so on. I do not know much about that because I am not a very big politician. Neither have I got the head to think of those things, because they are big vocabularies which are very hard to utter. The thing is this. It is said that every effort is made to educate Indians to take up the administration in their own hands. In the same breath it is also said that they are not capable of managing their own affairs. If they are not able to manage a railway, that is a common carrier's business, then how are they going to carry on the administration of the country? The whole thing is a tale of flattery and tall promises. It is better to be frank and say straight that you are not going to give us anything; say that we must pay, and you will play according to your own fancies. Say that this Assembly is a sham and everything else is sham. Otherwise what is the meaning of this Indianisation, when Indians cannot be masters in their own home? What is the good of using long long words and big big vocabularies? With these words, for the present, I take my seat and I support the motion of my friend Mr. Ranga Iyer.

Dr. Ziauddin Ahmad (United Provinces Southern Divisions: Muhammadan Rural): I was rather surprised at the attitude taken up by Members of the Treasury Benches on the last cut about Indianisation. They have placed themselves in a false position. They say on the one hand that they are going to Indianise everything, including the Army, but they are not willing to Indianise the Railway Board. They have placed their supporters, the nominated Members, in a still more difficult position, because they have shown to the whole world that these are a set of men who are selfish and not in favour of the Indianisation of the Railway Board. But I do think, Sir, that the mistake does not lie so much on the Government side as on the Honourable the Mover himself, because the question of the Indianisation of the services ought not to be raised at all. This is an established fact, the conditions under which the Assembly accepted the Railway convention guarantee that there should be speedy Indianisation of the whole Department. Therefore it is a question which has been settled once for all, and we ought not to raise it, and the only point at issue is that the Government have deliberately violated the pledges that they have given to the Assembly. They have not observed the condition precedent under which the Assembly accepted the convention and there ought to be a vote of censure on this particular point for non-observance of the conditions which they explicitly accepted when we discussed the question of convention. Therefore to my mind this question of Indianisation of services has been settled once for all when the Assembly accepted the convention which laid down two explicit conditions. One was the speedy Indianisation of the services, and the other was the purchase of stores in India. So many years have passed since that convention was introduced and we still find that in the superior services Europeans are 73·18 per cent., Indians are 26·82. In the lower grade services, where the salary is Rs 250 or more, we find 63·50 are Europeans and Anglo-Indians and only 36·50 are Indians. This is the state of affairs and we must see that the conditions under which the convention was accepted are observed and followed.

Mr. A. M. Hayman: Sir, I have made it a practice of my life always to try to see to the utmost the point of view of those who hold a different view from my own. I have listened carefully to the speeches of my friends Mr. Ranga Iyer, Mr. Das and Dr. Ziauddin but cannot find myself in agreement with them.

An Honourable Member: Also Mr. Gopika Romon Roy.

Mr. A. M. Hayman: I stand corrected. I feel that it is only fair to the Government Benches that I should place clearly before the House one aspect of this case which I think has been definitely avoided by my Honourable friends opposite. Honourable Members opposite argue as though we are writing on a clean slate. They say the position in the services at the present moment is Europeans so much per cent.—a high percentage no doubt. In the composition of the subordinate services, upper grades, Europeans and Anglo-Indians, the percentage is so much—a high percentage they say. From this they proceed to challenge the Government and to say that Government have broken pledges in this matter of Indianisation of the railway services. Now, Sir, let me take the most important of these services, the superior railway services. Let me read to the House

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just a small sentence to show what our obligations in this respect are. I refer to a passage on page 53 of the Report for 1929-30: It runs thus:

"The extension of the existing training facilities should be pressed forward as expeditiously as possible in order that recruitment in India may be advanced as soon as practicable up to 75 per cent. of the total number of vacancies in the Railway Department as a whole, the remaining 25 per cent. being recruited in England."

If I remember rightly, that undertaking was given only about five or six years ago. There were many in this House and outside the House who thought that it was going to take almost a century before the recruitment of Indians in our superior railway services would mount up to 75 per cent. Now, Sir, one of the first things I did when I took up office as a Member of the Railway Board was to make it my duty to take all possible measures to bring up the recruitment in the course of a year or two of Indians to 75 per cent. and if Honourable Members will read the Report of the Railway Board for the year 1929-30, they will find that the goal has been attained, and I see no reason whatever why in future years we should not recruit Indians up to the full extent of the 75 per cent. of the vacancies in the superior services.

(At this stage Mr. President resumed the Chair.)

That is not a tale of broken pledges. It is a tale of a serious pledge fulfilled at the very earliest possible moment. Honourable Members opposite may feel a certain amount of dissatisfaction that the same percentage rate of recruitment of Indians to the superior railway services has not been attained on the company-worked railways. I share that disappointment, but there were real practical difficulties which confronted the Company-managed railways. We have been endeavouring to help them to get over those difficulties. Let me once more turn to what is stated in the Administration Report regarding the percentage of recruitment during the year 1929-30 of superior officers on our Company-managed railways. On page 57, para. 89 of the Report, Honourable Members will find that on Company-managed railways, the recruitment of the total number of vacancies is as follows. Engineering 71 per cent, Transportation Traffic and Commercial, 80 per cent., and Transportation Power and Mechanical 36; That is to say, if the Transportation, Power and Mechanical Engineering Departments are omitted, the Company-managed railways also have recruited up to 75 per cent., of the vacancies. Now it is easy to understand why the Company-managed railways have not recruited a greater percentage than 36 per cent. for the Transportation, Power and Mechanical Engineering Departments. When last year we went in for the expedient of testing the market in England and here for young Indians we were prepared to take 8 recruits to fill vacancies on our State-managed railways. The efforts we made resulted in our obtaining only 7 recruits. Therefore, there was none that we could offer to the Company-managed railways to take into their Departments and to raise their percentage of recruitment of Indians.

Mr. B. Das: Do you mean that you only received 7 applications, and that there were no more qualified applicants?

Mr. A. M. Hayman: I am quite sure that the Public Service Commission and the Secretary of State, who were asked to recruit for us, received more applications than seven, but we laid down the minimum

qualifications required (they were very much lower than we would have ordinarily required, and we removed the age limit) and the Secretary of State and the Public Services Commission could only recommend 7 candidates as possessing anything like the required qualifications. I think this is a sufficient answer to the criticism that has been made by my Honourable friend, Mr. Das, on this point. Sir, my Honourable friend, Mr. Das, I think, referred to the case of some Indian Mechanical Engineer who he alleged had been dismissed from the service for no good reason, and he went on to say that Government were taking no care of these young recruits so that by our not taking care of them they drifted to a position where they were declared to be inefficient and thus lost their posts.

Mr. B. Das: Yes, that is my charge.

Mr. A. M. Hayman: I am very glad my Honourable friend repeats the charge, because by stating the facts, I may at least carry the rest of the House with me when I say that we go out of our way to make our young officers efficient. Now I will take the very case of the seven recruits that we took into our Mechanical Engineering Department last year. About three or four of them had qualifications that, with a certain amount of practical experience, would fit them fully for the duties of junior officers in those Departments. But there were two or three who did not quite have all the qualifications, and the authorities who recommended them said that we might try them—that we might give them training for a year or so and then only take them into our service if they proved really fit for the duties of these posts. Now, Sir, I immediately called together three or four of our experienced mechanical engineers and I said to them, "You must study the details of the training that these young men have had and you must formulate for me draft detailed instructions for the Agents of our Railways which would ensure that these young men get such special training in those parts of their profession in which they are defective". Sir, I ask is that not going out of our way to make the Indian recruit efficient, or are we leaving him to himself in order, as Mr. Das suggests, that we may get indifferent reports? Sir, I am happy to say that the reports we are getting of these seven recruits, who were taken last year, so far as we have received them, all show that they have made good use of their time, and they have been recommended for confirmation. But I go a step further to meet this challenge of my Honourable friend, Mr. Das, because I think his challenge is a serious one . . .

Mr. B. Das: It is a challenge on the facts.

Mr. A. M. Hayman: Well, this House should know that Government have every desire not only to apply the declared policy of Indianization in making recruitment but that all steps should be taken to see that young Indian officers are given every chance of becoming efficient. We do feel that as we get Indians into the service we ought to do all that is possible to make them efficient. Now let me, to illustrate our intentions, give an instance in which we have dealt not only fairly but leniently with a young probationer. We had an Engineer probationer, who was removed from the service because he was reported on as not having given satisfaction. Now I called for all the papers in that officer's case. I found that during his period of probation there were a few months in which, instead

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of being out on the works and learning his job in a practical way, through some misunderstanding he was brought into the office and made to work as an office man. I at once said to the rest of the Members of the Board that this young man was not given a fair chance but was deprived of three or four months' practical training and therefore we should put him back and give him those months of practical training and then decide whether he was fit to be taken permanently into our service or not. The Board agree to this.

Mr. B. Das: That was good of you.

Mr. A. M. Hayman: Perhaps I might say just one more word on this question of training. Here also in the last year or two we have overhauled all our methods of training our probationers. We have laid down in the rules instructional courses all directed to helping our probationers to get to that state of efficiency which I must say we had when we got young European engineers from England. It is our desire, I repeat, to make our young Indian officers efficient, and I, Sir, enter a strong protest against the remarks made by my Honourable friend, Mr. Das, that we neglect them in any way.

Sir, there is a small point in connection with the recruitment for our superior services that I should like to mention before I pass on to deal with the numbers in the upper subordinate grades. One or two Honourable Members on the opposite Benches are apt at times to doubt the accuracy of the facts placed before them. Now last year when I spoke on the subject of recruitment of our superior services, my Honourable friend, Mr. Neogy, very rightly remarked that there were certain discrepancies from year to year in the figures relating to recruitment due to additions and deductions being made because the recruits, who were given letters of appointment in one year, joined their appointments next year, and he wanted to be quite sure that those additions and deductions were so carefully made as not to prejudice the conclusions to be drawn from the figures. Now you will find, Sir, from page 55 of this year's Administration Report that we have met, what I regard to be the constructive suggestion of my Honourable friend, and we have stated in the Report that, since the primary object of these statements is to show the number of vacancies and how they are filled, an officer whose recruitment was arranged for during a particular year has been regarded as having been appointed during that year, even if he happened to join in the ensuing year. That is, in every year the same principle will be adopted in compiling the figures, and there will not be, as in the past, additions and deductions because young officers join their posts in a year different from that in which they are appointed. That is all I have got to say, Sir, on the general question of the recruitment for our superior services, and I think that I will carry the House with me when I say that the pledge which Government gave some years ago that they would recruit up to 75 per cent. of the vacancies, has so far as our State-managed railways are concerned been fulfilled to the utmost with the least possible delay; and that so far as the Company-managed railways are concerned, the only defect is in regard to their recruitment to the Transportation, Power and Mechanical Engineering Departments, a defect due to unavoidable circumstances.

Mr. B. Das: What about the covenanted hands temporarily recruited for the State railways?

Mr. A. M. Hayman: I do not quite follow what the Honourable Member is driving at because the figures I read out with regard to the company-worked railways from page 55 of the Report were for permanent and not temporary vacancies. And this would include covenanted officers, whether they are in permanent service on these railways or against temporary posts. I only wish, before I leave this question of the difficulty of company-worked railways in recruiting up to 75 per cent., to ask the Honourable Members to read what is stated in paragraph 9 of the Memorandum on the elimination of racial discrimination in the services. At one time I almost thought that what is stated there is of sufficient importance to be read out by me so that it would get into the proceedings of this debate, but I will not do so because there are one or two other points which I wish to reply upon and I think I have already taken up a great deal of time.

I want to reply to the specific charge, once more made by my Honourable friend Mr. B. Das, that in filling certain vacancies in the Electrical Traction Department of our railways we took on European officers and did not take on qualified Indians who were working with a company in Bombay. Now, Sir, in respect of all vacancies in our superior services we consider at the time what proportion falls to be made by European recruitment and what falls to Indian recruitment. That is to say, if we have to fill four vacancies, we reserve three to be filled by Indians and one by a European. If in respect of certain of the specially technical posts, we cannot get qualified Indians, either from the High Commissioner for India or from the Public Service Commission, we fill them by the appointment of Europeans. But in doing that, we do not prejudice the claims of the Indians as a whole, because to the extent to which we employ in some specialised posts more Europeans, we reduce the recruitment to some other Department correspondingly, so that on the total we shall secure the 75 per cent. recruitment of Indians.

In regard to the particular case referred to by my Honourable friend, Mr. Das, it was not the Railway Board that made the selection. The Railway Board merely stated the minimum qualifications they required for the posts. They had in mind the number of Indians that they would like to take in that particular Department in order to get 75 per cent. Indians in that Department. It was on the recommendation of the Public Service Commission that the selections were made. Perhaps later on when the young Indian gentlemen, to whom my Honourable friend has referred, become a little more qualified by experience in the work that they are doing just now, they will stand a chance of being selected for employment in that highly specialised and very important branch of railway operations.

Mr. B. Das: Will you write to the Consulting Engineer not to dismiss these four electrical engineers?

Mr. A. M. Hayman: I do not think that Government will interfere in that way. It would not be right for Government to write to a private company to employ any particular person or not to dismiss any particular person.

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Sir, I think I owe it to my Honourable friend, Mr. Aung, from Burma to make an observation which will meet the main point that he raised in the discussion. I want to tell him, Sir, that the Government of India and the Railway Board do not lose sight of the desirability of employing in the superior services of the Burma railways an adequate number of Burmans. We have under discussion just now the desirability of applying the 75 per cent. recruitment in respect of the Burma railways for Burmans and persons domiciled in Burma. Unfortunately I am not in a position to say what the decision of the Government of India is going to be, because the Government of India have referred certain proposals to the Government of Burma and they are awaiting a reply. It so happens that at the present moment we are making our recruitments for the year 1930-31, but the 'India' portion of recruitment for the Burma railways will not take place until the Government of India hear finally from the Burma Government and the Government of India take a decision as to the policy that is to be adopted in filling the superior posts on the Burma railways.

One other point that was raised by Honourable Members was this. Why does not the Railway Board give more information in their Report by showing the recruitment of other communities than those which is shown in the Report at the present moment? Particularly I think mention was made of the Sikh community. Now, Sir, I feel that I can say without contradiction that the Reports produced by the Railway Board each year of their administration are as big and bulky documents as reports produced by any other administration all the world over. We have necessarily to cut down the amount of information that can be given in these Reports if they are not to be over-bulky. But I do hope that the representatives of the other communities will not understand by this that no attention is paid to the extent of their representation in the services when we come to make recruitment to the services. I have in my office a complete statement of the composition of our superior services by each community, and when the time comes to fill appointments otherwise than in the direct order of merit, that statement together with the Board's recommendations is placed before the Honourable Sir George Rainy for orders, so that he may be in a position to see to what extent it is necessary to make selection of individuals belonging to particular communities for appointments to the one-third vacancies that are intended to redress communal inequalities. In other words, Sir, full consideration is given to the composition of the services by all the various communities at the time such selections are made. But, Sir, I hope Honourable Members will not understand that we only do that for the superior services. I am not going to take it on my part to say that in every office of our Railway Administrations, a similar process and procedure is gone through for the selection of members of different communities for subordinate posts; but I have made it my duty in the last two years to impress upon the Agents of our State Railway Administrations and the heads of offices that this is a necessary preliminary before they make their selections to redress communal inequalities. And I say that I will go further, and I will have the point further investigated so that, if it is necessary for the Railway Board to lay down precise instructions that Railway Administrations are to follow this procedure, those instructions will be sent out.

I will now pass on, Sir, and deal further with the question of the representation of Indians in the subordinate services. No one, I think, will deny that if the total numbers are taken into consideration the representation of Indians is adequate; in fact it is almost entirely Indian.

Dr. Ziauddin Ahmad: What page please?

Mr. A. M. Hayman: I have not yet come to the figures but I will pass on to considerations of representation to the upper subordinate grades and I will try to satisfy the Honourable Member by going straight to the figures in the document which is in his hands. I refer to the figures on page 8, paragraph 17, of the Memorandum of the Railway Board on the elimination of racial discrimination in the services. I can quite understand the dissatisfaction which Honourable Members on the other side of the House feel that an unduly large proportion of the upper subordinate posts on our railways are held by Europeans and Anglo-Indians. Here too I would appeal to them to look at this question not as it we are writing on a clean slate today, but to remember that we are dealing with figures that have come into being in the process of years; and I would ask them to see what a great advance has been made in recent years in filling the posts in the upper subordinate grades by Indians. You will find, Sir, that on our State-managed railways, between the years 1926 and 1930, the increase in the number of Europeans and Anglo-Indians, taken together, in the upper subordinate appointments was only 24, whereas the increase of Indians of all classes other than Europeans and Anglo-Indians was 896. I think I had better repeat these figures in another way. Out of a total of 920, 896 fall to Indians and 24 only to Europeans and Anglo-Indians. I think, Sir, that this represents fairly rapid Indianisation. Turning next to the Company-managed railways, you will find there that, whereas the total number of posts available to Europeans and Anglo-Indians between the years 1926 and 1930 fell by 24, the increase in respect of Indians was 254. I think those figures speak for themselves. I wish to make only one small observation before I sit down. My friend, Mr. Das, complained of the absence of Indians holding senior posts on the railways. I think the House should know that at this moment there are on the State-managed railways three Indians who are heads of Departments, two Chief Engineers and one Controller of Posts.

Mr. B. Das: Out of how many posts?

Mr. R. K. Shanmukham Oshetty (Salem and Coimbatore *cum* North Arcot: Non-Muhammadan Rural): I wish to ask for information on a point arising out of this question of Indianisation. Some years back, a proposal was brought before the Standing Finance Committee for Railways for the creation of a new post on the South Indian Railway as Deputy Agent of that railway, and in according their sanction to the creation of that post, the Standing Finance Committee added a rider that an attempt must be made by the Railway Administration to secure an Indian for that post. I would like to know, Sir, what steps were actually taken by the Railway Administration to try to find out whether a suitable Indian was available to fill the post of Deputy Agent on the South Indian Railway. If my information is correct, the gentleman who is now acting as Deputy Agent on the South Indian Railway joined the service only in the year 1924. From this it is clear that this gentleman was chosen, not because he was a senior officer on the railways but obviously for certain other considerations. If a gentleman who has put in only six years in the Railway Service was

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thought fit to occupy a very important post in the Railway Administration of the nature of Deputy Agent, I would ask my Honourable friend to inform this House whether, in their search to find a suitable person for this post either in the service of the South Indian Railway or in other railways of India, they were not able to come across a suitable Indian, and—I would like to be corrected if I am wrong—I have been told that the present gentleman is the son of the Managing Director of the South Indian Railway itself. If these facts are really true, I would submit to my Honourable friend that it is not conducive to the creation of that confidence either in this House or outside in the *bona fides* of the Railway Administration in their efforts to Indianise the services.

Mr. A. M. Hayman: Sir, it is very difficult for me to give a reply to that question, because I did not happen to be on the Railway Board at that time holding a post in connection with the filling up of appointments. I do remember the incident so far as it related to the Standing Finance Committee for Railways recommendation. But, Sir, I am not in a position to inform the Honourable Member what steps the Railway Administration itself took to find a suitable Indian for the post; but I will say this, that I am sure that the Railway Board paid the utmost respect to the recommendations of the Standing Finance Committee. (Question.) I have no doubt about that at all and I do suggest, Sir, that if the Honourable Member who raised this question is not satisfied, he might put down a question on the paper when the Government will obtain all the necessary information and give him a complete reply.

Sardar Sant Singh (West Punjab: Sikh): Sir, I quite agree with the observations of my friend, Dr. Ziauddin, that when the principle of Indianisation has been settled on the floor of this House and is at any rate in theory accepted by the Treasury Benches, it is not necessary to raise this question of principle so far as Indianisation goes. But at the same time this House has a duty to perform in watching or keeping a vigilant eye on the work of the Railway Department in order to see whether that principle which is accepted in theory is being worked in practice or not. Now, in order to keep an eye on this important principle of Indianisation, certain Honourable Members of this House have quoted facts and figures showing that in practice the principle has not been worked as thoroughly as expected. We find, Sir, that in this matter of Indianisation, very little effort has been made in recent years to bring up the representation of 75 per cent. of Indians in the railway service throughout India. Along with it, I as a representative of the Sikh community have a grievance and a serious grievance arising out of the admissions made by the Honourable Sir George Rainy. When I read his Budget speech, I found that on the point of representation of minorities, the only reference made by him was a reference to the Muslim claims and not to other important minorities in India. I looked into this Memorandum of the representation of Muslims in the railway services and I found that the Resolution of this House, which was adopted in March, 1923, claimed to give the same protection to the minorities other than the Muslims. The Resolution reads:

“That this Assembly recommends to the Governor General in Council that in making new recruitment for the services under the control of the Central Government steps be taken to secure that the services are not unduly overweighted with representatives of any one community or province, and that as far as possible the claims of all communities and provinces are considered.”

Now, further on, where the Government policy is enunciated and the rules have been framed from time to time in order to give effect to that policy, we find that the term used is "important minorities" and not one minority. But here in the Budget speech it was nothing short of a surprise to find that the claims of communities other than the Muslims have been entirely ignored.

I have another grievance against another Honourable friend who probably deliberately used an expression which is nothing short of an insulting expression when it is used in connection with an important community like the Sikhs in the Punjab. I am sorry to see that he is not in his seat, as I would have liked him to hear me say that the expression he used in respect of my community, calling us bats, was not a very happy expression; but I am sure he will come to know of it later. I would tell him that, though he has used that expression in one sense, I am going to use it in a quite different sense, and therefore I accept his word as correct. By the word "bat" probably he meant that quadruped which is classed neither as a bird nor as a beast. . . .

An Honourable Member: Quadruped?

Sardar Sant Singh: Oh, yes; it has four legs. By that expression he meant that quadruped which goes by the name of bat as one which does not know how to breast the storm. But he will find the Sikh community as that bat which is not made of flesh and blood but of seasoned wood, that kind of wood which in the hands of a batsman knows how to breast a storm when it comes in the shape of a thrust at it; that bat which rolled back the Moghul Empire from the Punjab in its palmiest days, which rolled back the tribal invasions from across the frontier when they came to contest the supremacy of the Punjab, that bat which rolled back his people from the United Provinces when my countrymen, my community came to this very town of Delhi and saved it in 1857 from their hands. My Honourable friends, now occupying the Treasury Benches especially ought to feel grateful to us (Laughter) that we placed them there; and it is that bat made of seasoned wood which recently sent back O'Dwyerism from the Punjab in martial law days, and it is the same bat which dealt a few blows to the Government when they wanted to contest the supremacy of gurudwaras with us. If I can give a very recent instance, it is that self-same bat which recently in the Round Table Conference rolled back the fourteen points of Mr. Jinnah. (Laughter.) That is the bat we are like; and I say even now that, where the Sikh rights are concerned, we are not a yielding community. We never yield. I will say to the Railway Member in charge that if the Indianisation of the railway services comes to be a practical fact—and it ought to come because of the solemn pledges that they have given to all of us—then the community, which I have the honour to belong to, should have an adequate share and an effective voice in that.

At the same time I will say that if the Railway Board and Railway Member are really in earnest to Indianise the services and if they are in earnest to meet the financial stringency which is clear from the Budget presented to this House, I will make a few suggestions and shall wait to see if those suggestions are carried out in the proper spirit or not. I find that on the North Western Railway Royal Engineers are employed in important positions. They generally belong to the Military Department and their services are lent to the Railway Department. If they are only reverted back to their military posts, there will not only be a

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saving in the expenses but room will be made available for Indians of equal position to occupy those places. I will quote an instance. Colonel Walton is the Agent of the North Western Railway and is at present getting Rs. 3,500 per mensem. His substantive post in the military service will only bring him a Colonel's pay, which is not more than Rs. 2,700. Similarly Majors are getting Rs. 2,000 a month, while their substantive pay on the military side is not more than Rs. 1,200; Captains get Rs. 1,200 on the railways while on the military side they get only Rs. 700 and not more. If these services are scrutinised and these instances are carefully gone into, and these gentlemen are sent back to the Military Department, certainly a good deal of saving can be effected to meet the deficit in the Budget, with which we are seriously faced at this time.

In conclusion, I would take this opportunity of thanking Mr. Hayman for the assurance that the Sikhs' claims will not go unconsidered. . .

An Honourable Member: Has he said so?

Sardar Sant Singh: Lastly, I will only request that in the next Administration Report facts and figures relating to the Sikh community should be quoted as they are now quoted in respect of the Muslim community. With these remarks I resume my seat.

Raja Bahadur G. Krishnamachariar: After what has fallen from my friends, Sir, I do not think I ought to take up much of the time of the House in discussing whether there ought to be Indianisation or not. That ought not to be in issue at this late hour of the day. In the convention established in the year 1924 there is a clause which says:

"Apart from the above conventions, this Assembly further recommends that the railway services should be rapidly Indianised and further that Indians should be appointed as Members of the Railway Board as early as possible."

The first clause of this convention says that the railway services should be rapidly Indianised. As far as I am aware, this recommendation has been accepted by the Government and the words are "rapidly Indianised". I suppose the words were put there with some idea. But if you turn to pages 53 and 59 where there is a classification made of the communities recruited from April 1925 up to date, you will find it is a very very sorry tale. What I cannot understand—I am really speaking in all humility—regarding the attitude of the Treasury Benches in this matter is this. They have accepted this rapid Indianisation policy. They cannot deny it. From a perusal of the Schedule affixed to this Report, the pace of Indianisation has not been in any way as rapid as it should have been. Now, Sir, when you come to put this motion to the vote, the Treasury Benches oppose it. For what? I cannot understand. You have accepted the policy of Indianisation, and it has been pointed out to you by your own facts and figures that you have not worked up to it to the extent to which you should have worked up, and when I say in consequence of that I am going to move a cut of Rs. 100 in your Demand, you do not agree and throw down a challenge to defeat us. The result is what? Have you, or have you not accepted the convention? Can you then in all seriousness and in all sincerity oppose the present demand? If you find that you have worked up to your convention established in this House a few years ago, then why hesitate? I say it is not a question of not erring at all. Human nature is liable to err, and in a big organization like

the Railway Board, it is just possible that the orders issued from the headquarters do not reach the tail end in time, and probably effect is not given to such orders so very expeditiously or so very usefully. All of us who have had anything to do with administration do know that the orders communicated from the headquarters do not generally reach the tail end expeditiously and effect is not given with the same force and with the same seriousness as the headquarters intended. Say frankly that there has been a mistake somewhere. The leakage that was talked of the other day by the Honourable Member should be stopped, and you should give effect to the policy of Indianisation as expeditiously as possible. If you do that, then there will be no discontent whatsoever on this side of the House. But what I complain of is that there has not been as serious an attempt made as might have been made. I therefore submit, Sir, that when the time comes next year for reviewing this question, the words "rapidly Indianise" should be borne in mind. A few percentages here and a few percentages there will not satisfy this side of the House at all. My friend, Mr. Hayman, thanks to his energy and experience in this Department, has paved the way, and a great deal of improvement has been made. But what he has done so far is, I submit respectfully, not sufficient to give effect to the words "rapidly Indianise", and if effect is given to these words next year, we on this side of the House will have no cause to complain at all.

Mr. President: I should like to know what are the wishes of the House in the matter of proceeding with this discussion. Shall we adjourn now and continue the debate tomorrow? (*Several Honourable Members:* "Continue it, continue it tomorrow.") Honourable Members will realise that only four days are allotted for Demands for Grants, three of which are gone, and we are still on the first Demand.

Mr. Arthur Moore: The question may now be put, Sir.

Several Honourable Members: We will adjourn now.

Mr. President: Today is the third day, and we are still on the first Demand.

Mr. S. C. Mitra (Chittagong and Rajshahi Divisions: Non-Muham-madan Rural): But of all the cuts this is the most important.

Mr. President: If Honourable Members are satisfied with the progress made, I have nothing to say.

Mr. Arthur Moore: I move, Sir, that the question be now put.

Mr. President: That will mean that we will have to sit till half past five. If the House agrees to the motion for closure now, there will still be two replies to be made, the Honourable the Railway Member has the right of reply and the Mover also will no doubt wish to reply.

An Honourable Member: It will take another half an hour.

Mr. President: If the House is prepared to sit till half past five, I am quite agreeable.

Several Honourable Members: No, no; adjourn, adjourn.

Mr. President: Very well, then. The House will now adjourn till Eleven o'clock tomorrow.

The Assembly then adjourned till Eleven of the Clock on Thursday, the 26th February, 1931.

LEGISLATIVE ASSEMBLY.

Thursday, 26th February, 1931.

The Assembly met in the Assembly Chamber of the Council House at Eleven of the Clock, Mr. President in the Chair.

STATEMENT OF BUSINESS.

The Honourable Sir George Rainy (Leader of the House): With your permission, Sir, I desire to make a statement as to the probable course of Government business in the week beginning March, the 2nd. On that day, the first business before the House will be a motion for the election of Members to the Indian Research Fund Association. The next business will be the election of Members to the Central Advisory Council for Railways, and this will be followed by the election of Members to the Standing Committee on Emigration. On the conclusion of this business, the House will proceed to the discussion of a motion in connection with the White Paper issued on the Round Table Conference. The terms of the motion will be placed on the agenda paper. The House will not sit on Tuesday, the 3rd, and Wednesday, the 4th, which are gazetted holidays for Holi. Thursday, the 5th, and Friday, the 6th, have been appointed for the general discussion of the Budget. As at present arranged, there will be no sitting of the House on Saturday, the 7th.

THE RAILWAY BUDGET—LIST OF DEMANDS—*contd.*

DEMAND No. 1.—RAILWAY BOARD—*contd.*

Indianisation Policy in the Railways.

Mr. President: The House will resume further consideration of the cut motion by Mr. Ranga Iyer, No. 17.

Maulvi Muhammad Yakub (Rohilkund and Kumaon Divisions: Muhammadan Rural): I do not want to make a long speech on this cut. My purpose in participating in the discussion of this motion is only to associate myself with the motive underlying the cut. It should not be considered that we, the Mussalmans, who always press for their share in the public services are not anxious for any general advance in the way of Indianisation. In fact, we heartily support this motion for Indianisation, and I think that we, the Mussalmans, cannot get our proper share unless Indianisation is carried on in the services. I will add one word in regard to the threat which was uttered by the Leader of the House, that if we go on carrying cuts in the extravagant expenditure of the railways we may not have the improvements for which these motions are passed.

The Honourable Sir George Rainy (Member for Commerce and Railways): May I say, in order to make my meaning perfectly clear, that no number of 100-rupee cuts will make the slightest difference. It was a question of a substantial cut in the Demand, and I did not mean in any way to convey any suggestion of pique as regards what happened. It is purely a question of substance, whether if a certain large sum is taken

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away from the Budget, we shall have enough money to do all that we should like to do.

Maulvi Muhammad Yakub: I certainly think that a big administration like the railways, in which, as has been pointed out, there is so much extravagance, can spare a lakh of rupees from the monies that they spend on their luxuries. As I said yesterday, economies should be made on luxuries and not on necessities. The Leader of the House thought that the Mussalmans are a docile and weak people, and whatever you may do with them they will not raise their hands, and therefore he hurled this threat at the Mussalmans. Probably, if it were the case of a stronger interest, he would not have used that threat.

With these remarks, I associate myself with the motion moved by my Honourable friend.

The Revd. J. C. Chatterjee (Nominated Non-Official): I think that these debates on Indianisation, which come up like a hardy annual from year to year, have served a very useful purpose. There is no doubt that they have contributed very largely to the change of heart in the Railway Board and those who have the patronage in the railways. In these days the question of Indianisation needs no argument. It has been accepted in principle by the Honourable the Railway Member and by his officers, and it has been urged by this House year after year. I believe that there is no doubt whatever that the Railway Member is, of all persons, most sincere in his attitude on this matter. He has tried to do his best to carry out Indianisation as far as he could, and I can say the same thing of Mr. Hayman, namely, that he has also shown a very sincere desire to carry out the wishes of the House in this direction. For the rest, I can only say that Rome was not built in a day and that all good things come to him that waits.

Now, Sir, bearing in mind that the principle has been accepted by the Government, the question before the House is what are the best methods of giving effect to this policy, of accelerating its progress, and also for guaranteeing that Indianisation is carried out on the right lines. In this matter I welcome the information, or rather the announcement that was made by my Honourable friend, Mr. Hayman, regarding the introduction of a new set of rules for recruitment to the subordinate services. He has very kindly said that these rules are being now framed, and that he will place them for consideration before the Central Advisory Council for Railways and then take action on them. Here I would like to make a suggestion, and it is this, that when these rules have been placed before the Central Advisory Council for Railways and their opinion taken, they should also be made available to all Members of this House. I find myself in a certain amount of difficulty and it is this. I represent in this House a very large community, though, of course, taken as a whole and compared to the total population of the country, it is not very large, but still it is five millions strong, and though I have at all times exercised the greatest restraint in pressing their claims and have not pressed communal representation of any kind, I do feel that, since I come to this House as their representative, a certain duty is laid on my shoulders. I personally feel that a fair field and no favour is the best method for recruitment to the public services, and therefore, I have always kept silent whenever the

question of communal representation has been urged. Now, the Government have clearly stated that they will do their best to further the legitimate claims of the Muhammadan minority in the matter of employment in the railways. I have no quarrel with that. I believe that even the question of efficiency can be made into a fetish and that all communities should have their share in the public services of the country. I therefore feel that, if that claim is accepted, and as I have said, I have no quarrel with it, I feel that the claims of other communities also ought to have some consideration. For example, there are so many minorities; there is the Sikh minority, there is the Indian Christian minority, and there are other minorities. And though I do not at this time want to make the position in any way difficult for Government, I do feel that when these rules for recruitment are brought out after they had been considered by the Central Advisory Council, we, as representatives of minorities, should have a right to know, or rather an opportunity to know, what these rules are and how far the claims of the communities that we represent have been kept in view. I do hope that Mr. Hayman will agree to my suggestion that these rules should be placed at least in the Library of the House.

Coming on to another subject, I am, naturally, very much interested in discovering careers for university graduates. My work lies among them. I feel that a large number of them are anxious to obtain employment in the railways; and it is only right that these men with superior education and better training received in their colleges should find a field of service in the railways. What happens now is that the appointments generally open to them are very inferior appointments. I do not think that it is right and fair that a man, after his father has spent all the money that he now-a-days has to on his university career, and after the number of years that the young man spends there, he should be asked to go and work on the railways, say, at a starting salary of Rs. 25 or 30 a month and then have to wade his way wearily up to something like Rs. 100 or 150 a month at the end of his career. No doubt, a system of recruitment that compels these young men to join on such low salaries does not attract the best type of men. Mr. Hayman has said that an announcement will be made on what may be described as the recruitment to the intermediate grades of the subordinate services. I think that is an opening for our educated young men and their claims ought to be carefully considered when recruitment is being made to the intermediate grades of the subordinate services.

Then again there is another suggestion which I should like to make and it is this. When recruitment is made to these services, there ought to be carefully appointed selection committees. I had something to say yesterday about the composition of the quota committees formed for the superior services, and I believe that the recruitment to the intermediate grades of the subordinate services should be made not by a single individual officer, who may be open to all kinds of persuasions. Their lives are made a burden by the number of letters of recommendation that they receive. I therefore suggest that carefully appointed selection committees should be appointed to recruit for the intermediate services and on those committees it is necessary that there should be not only railway officers but representatives of the various communities. I would also make a strong plea that there should be appointed on those communities some educational experts

[The Revd. J. C. Chatterjee.]

who understand and have personal knowledge of the university men who apply for jobs. If care is taken in the formation of these committees, we will be able to get the right type of young men, and I hope, Sir, that these few suggestions will receive consideration at the hands of my Honourable friend, Mr. Hayman.

Mr. Jagan Nath Aggarwal (Jullundur Division: Non-Muhammadan): Sir, the remark just now made by the Honourable the Railway Member calls for more than a passing notice. The Honourable the Railway Member was pleased to point out that a few cuts of Rs. 100 had no terrors for him and that it was only the substantial cuts that he objected to. This cut of Rs. 100 proposed by Mr. Runga Iyer is a token cut in order to ventilate a matter on which the House feels strongly. It is not the magnitude of the amount involved, that is in question. There is a certain policy behind these cuts, to which the attention of the Government has to be drawn and I was surprised to find that the Honourable the Railway Member attached more importance to the amount of the cut than to the underlying principle involved. The point is that a certain policy is attacked, and we put forward certain suggestions by means of these token cuts and place our point of view before the Government, and it is for them to accept the suggestion if they can bring themselves round to accept that point of view. The Honourable Member should not look upon it in terms of Rs. 100 or Rs. 1,000, and from that point of view I certainly take objection to the way in which he has put the matter to the House. If a cut of a lakh of rupees is carried, it is certainly uncomfortable, but it is not from that point of view that the discussions have got to be looked at.

Now, Sir, there are just a few remarks about the subject that is being discussed. I wish to draw the attention of the House to a certain class of employees on the railways, whose claims in making these appointments under the scheme of Indianisation, have for a long time been ignored. Statistics have been placed before you and statistics can be made to tell any tale. Looking at page 8 of this Memorandum on the removal of racial discrimination, I find that some figures are given for State-managed and Company-managed railways. According to this Memorandum, Indianisation has been understood to mean the employment of a larger number of Indians in the services. I respectfully submit that is not the proper interpretation to be put upon it. Indianisation as we understand it means the growing employment of Indians in substitution for the foreign agency that was already there. That, I think is the implication of it, and the second implication which follows it is the idea of economy. The employment of persons belonging to this country ought ultimately to lead to economy. These are the two implications of it. Now, I should like to draw the attention of the House to the figures given in this Memorandum. On the State-managed railways there were 4,043 Europeans and Anglo-Indians in the year 1926. In 1929, we have 4,041, a decrease of 2. In 1930, the figure stood at 4,067, an increase of 24, so that, taking the figures for 1926 and 1930, you find that there is no replacement. Therefore, so far as Indianisation goes, it does not exist in this branch. How does Indianisation come in? Now, there were 1,443 Indians in 1926, and in 1929 they have increased to 2,178. Now, Sir, my objection comes in here. Whenever there is a demand for Indianisation, the policy of the Railway Board is to create more jobs and give them to Indians, instead of replacing

the Europeans and Anglo-Indians. I submit that this is not the object of Indianisation. It is extravagance, pure and simple, and it defeats the object of Indianisation. It is neither economy nor replacement of persons other than Indians. The figures for the Company-managed railways are better. There, in 1926, the number of Europeans and Anglo-Indians was 1,892, and in 1920 it was 1,827, that is 65 less. Indians were 795 in 1926 and they were 1,049 in 1930, that is 254 more. The Company-managed railways know their business. They could not create so many extra jobs as the State-managed railways did. That is one aspect of the case. It is in the subordinate services that you have created more jobs and given them to Indians. That is not Indianisation.

Now, there is another aspect of the case. Recently I put a question to inquire whether in the Loco. Workshop at Moghulpura there was any Indian as Foreman and I was told there was only one. Now these Loco. Foremen get a pay of Rs. 500 to 650. I find that there is only one Foreman or Assistant Foreman. These latter draw a salary of Rs. 425 to 500 p. m. Now, what is the reason for the paucity of Indians? Reading between the lines, one finds that the recruitment of some persons in the upper subordinate grades is made in England. They are recruited on a pay of something like Rs. 300 or so for a certain number of years, and after their term of contract is over, they are pushed up to these jobs of Foremen and Assistant Foremen. How is Indianisation to be effected if these people, who come on short-term contracts, are pushed up to these posts? This is how Indianisation goes on. The real way to do this is not to increase the jobs, but to supplant the foreign agency. You must get these temporary men to train Indians and fit them to take up these jobs, instead of pushing up these covenanted men into these jobs, after their term is over. It is impossible to suppose that at this time the N. W. Railway could not put into the ranks of Foremen and Assistant Foremen any qualified Indians. I would therefore cut this matter short and submit that this outside recruitment should in future be reduced to the minimum and attempts should be made to push up Indians so far as they are available into the services, and the recruitment of outsiders should as far as possible be stopped. That does not mean doing it in the old world sense—"as far as may be to go on for fifty years"—but rapid Indianisation; and I submit the Railway Department should give careful attention to this aspect of the question.

Several Honourable Members: The question may now be put.

Mr. E. F. Sykes (Bombay: European): Sir, as my Honourable friend, Mr. Chatterjee, has observed in his speech just now, the policy of Indianisation is one that has been accepted by the Government of India ever since, I suppose, the date of the Lee Commission. During this debate, I think it has been sufficiently borne out that the action that the Government of India have taken has been as near as possible equal to that which they had promised, and it is therefore surprising that the House should have given so much time to a debate on this particular subject. Certainly, Sir, in this part of the House there is no intention of questioning the policy, and it has always had our support. There is, however, only one consideration we would like to urge, and that is that it should be carried out with strict justice, and I would like to invite the attention of the Government of India to the statement that was made by Mr. Hayman the other day. Mr. Hayman announced that in the matter of recruitment during

[Mr. E. F. Sykes.]

the current year they proposed to absorb into their permanent establishments a number of officers who had so far been employed in their temporary establishment. Now in 1926 the Government initiated a very large programme of construction, and a policy of construction always demands the employment of a large number of temporary engineers. The Government, pursuing its policy of Indianization, engaged as many men as it could find in the country and exhausted the country's resources—resources which, I may say, are perhaps not so extensive as are generally supposed; at any rate my experience goes to show that there is a fairly early limit to the extent to which you can expand your cadres by recruitment in India. Well, after exhausting the country's resources, the Government of India proceeded to recruitment on short-term contracts, of a large number of gentlemen of other nationalities. When this absorption of the temporary employees into the permanent establishment takes place, I hope, Sir, that the Government will make a point of seeing that all persons who have been or are on their temporary establishment receive equal consideration in the matter of the allotment of permanent posts.

Several Honourable Members: The question may now be put.

Mr. President: I accept the closure. The question is that the question be now put.

The motion was adopted.

Mr. C. S. Ranga Iyer (Rohilkund and Kumaon Divisions: Non-Muhamadan Rural): Is not the Honourable the Railway Member going to reply before me? Very well, Sir, I shall exercise my right of reply, but shall not take more than a minute to express my agreement with my Honourable friend, Mr. Sykes, in what he has said in his reasoned speech that these things must be approached from the stand point of "strict justice".

Mr. E. F. Sykes: We cannot hear you.

Mr. C. S. Ranga Iyer: The "strictest justice" demands, Sir, that the Government should not cling to corpses, and the Lee Commission's Report is a corpse. It is as dead as a corpse and it was the Lee Commission's Report which my Honourable friend, Mr. Hayman, clung to when he talked of 75 per cent. Indianization, or rather he quoted words from paragraph 84 of the Administration Report for Railways in which it is said *apropos* of recruitment that it shall be carried "*as soon as practicable* up to 75 per cent. of the total number of vacancies in the Railway Department as a whole, the remaining 25 per cent. being recruited in England". Sir, we want that 75 per cent. of Indians, at least, should be in those services. I would say "cent. per cent." of Indians, but as a compromise for this transitional stage I am saving 75 per cent. of Indians. The Lee Commission's Report, Sir, is a discredited document, . . .

An Honourable Member: Certainly so.

Mr. C. S. Ranga Iyer: . . . and the Government ought not to adhere to a discredited document which this side of the House—as perhaps the Honourable the Leader of the House is not aware because he was not a Member of this House then,—would not touch with a pair of tongs, and if they did touch it with a pair of tongs it was only to put it into the waste-paper basket. Therefore, I do not think it is for the Honourable Member representing the Railway Board here to come and tell us that, "We go by what the Lee Commission's Report has laid down".

We want here and now that the Honourable the Railway Member must give an undertaking that the recruitment of Anglo-Indians and Europeans must stop for the railway services until the racial proportion is equalised. There must be strict justice done to all the communities in the country—the Hindu community, the Mussalman community, the Sikh community the depressed classes, the Parsis, the Indian Christians, the Jains—every other community including I admit the Anglo-Indian community; but at present the Anglo-Indian community and the European community are dominating the services. Sir, does the Honourable the Railway Member mean to say that, the smaller the minority, the larger should be the domination? Therefore, I take strong exception to the Honourable Mr. Hayman saying that “we go by this—the Lee Commission’s Report”. I question the very foundation of his argument. Once you accept his premises, you cannot resist his conclusions. Government laid down certain laws and rules to regulate their action. We repudiated those laws and rules, and they come and say, “We have acted according to those recommendations.” Has not recruitment taken place of Europeans? Are not Europeans there at present in the services? Surely, Mr. Sykes cannot pretend that the Indian engineers are not obtainable. They have unnecessarily stiffened the qualifications of Indians as engineers to exclude them from the services. As a matter of fact, as I pointed out the other day, Indians do not at present have the opportunities which Englishmen have in England of facilities in the workshops. England, Sir, is “doped”—as Pandit Jawaharlal Nehru pointed out a few years ago—and I know from my own experience that England is doped so far as the admission of Indians to the workshops is concerned. I know from my contact with Indian students in Germany that in Germany greater facilities are given to Indians. On the Continent and in France also greater facilities are given to Indians—and do you mean to say, Sir, that there are no bridges in Germany? Do you really pretend that railways do not run in France and there are no bridges there? Why not recognize German and French qualifications? And when I made this point, the Honourable the Railway Member greeted it with what shall I call it—indifference? Sir, that is not the way to treat this House, and if the Honourable the Railway Member, here and now, does not undertake to stop all recruitment of Europeans and Anglo-Indians and provide for Indians the opportunities that every community has been persistently and consistently pressing for, I propose, Sir, to press this motion to a division.

The Honourable Sir George Rainy: Perhaps, Sir, I might begin by referring to what fell from my Honourable friend, Maulvi Muhammad Yakub, and the only reason I have for going into that subject is that I think my Honourable friend, Mr. Aggarwal, misunderstood what I said on that point. Apparently I conveyed an impression to his mind that whereas I regard a Rs. 100 cut as a matter not worth consideration, I was much moved by a cut of one lakh of rupees. That was not my meaning at all. When a question of policy is involved the weight of the opinion of this House with Government is just the same whether the cut is of one rupee or one crore of rupees. That makes no difference. The point is what is the opinion of the House. What I said, when I interrupted my Honourable friend, Maulvi Muhammad Yakub, was quite a different matter. The point there was that we have been asked to take measures to carry out a certain policy. In order to carry out that policy we have to have money to employ officers for carrying it out, and the particular

[Sir George Rainy.]

Demand under which the money would have to be found is the Demand for the Railway Board. If that Demand is reduced by a substantial amount and the House desires that Government should accept the decision of the House in that matter, then of course we have got to consider what we can leave out. All I did was to give a warning that I could not then undertake to find money for the particular measures which my Honourable friend, Maulvi Muhammad Yakub, wants. There is no question of a threat of any sort or description. I merely wished to bring the House face to face with the situation which had actually arisen.

Now, Sir, my Honourable friend, Mr. Hayman, has replied to several points in the debate and to most of the points raised by the earlier speakers. For that reason it will not be necessary for me to speak at any great length or enter into any great detail. But with reference to what fell from my Honourable friend, Sardar Sant Singh, I should like to repeat what I said yesterday, that there never was any intention, either in my mind or in the mind of Government, to apply one set of principles to the Muslim community and another set of principles to other minority communities. That I wish to disclaim altogether. And as regards the particular community which he represents, the Sikh community, of course we shall always be ready to hear what can be urged as regards their difficulties.

My Honourable friend, Mr. Chatterjee, made certain suggestions, which I will certainly promise to consider. In particular he asked that, when our recruitment rules for subordinates are placed before the Central Advisory Council, copies should also be placed in the Library of the House. I do not think there ought to be any difficulty about that. When my Honourable friend sees the draft rules, he will see that we certainly propose in suitable cases to make use of selection committees. As regards the constitution of these committees, I cannot go beyond saying that his suggestion will be considered.

My Honourable friend, Mr. Aggarwal, raised one or two other points on which I should like to touch. In particular he referred to the figures on page 8 of the Memorandum on Racial Discrimination, and complained that though there has been a substantial increase in the number of Indians there has been no decrease in the number of Europeans. I should like to draw attention to one point. Honourable Members will see, if they will glance at the page, that whereas between 1926 and 1930 in the State-managed railways there was an increase of 24 in the number of Europeans and Anglo-Indians employed, there was a decrease of 66 in the Company-managed railways. The reason for that is simply this that, between the two dates, the Burma Railway ceased to be a Company-managed railway and became a State-managed railway; and therefore the figures for 1930 when compared with the figures of 1926 exaggerate the figures for the State-managed railways and diminish the figures for the Company-managed railways. I thought that point was worth mentioning.

Then there is another point to which I would like to draw attention. It will be obvious from the figures, that between 1926 and 1930 there has been a substantial development of the railway business. The total number of appointments has increased, and in substance what has happened is this, that the number of European and Anglo-Indian subordinates has remained stationary, and the whole increase has gone

to the Indian. That in substance is the position. But there is a little more than that to be said, because, if my Honourable friend will turn to the statement on page 59 of the Administration Report, he will see that there has been a substantial decrease between 1925 and 1930 in the number of European subordinates. The number on the 1st April, 1925, was 2,402, and the number in 1930 is 2,005, a decrease of nearly 400. I should like to give an example of what this reduction means. In the State railway workshops, for example, we have definitely adopted the policy of not recruiting covenanted subordinates from abroad, until we have made every possible attempt to provide for these specialised appointments by training our own men and in our own workshops. I think I may say that our experience has shown that, if trouble is taken about it and a real effort is made, it is quite possible to fill the appointments efficiently without bringing from England the covenanted subordinates whom we used to employ. That I think is a point of importance. On the other hand, turning now to the Anglo-Indian question, I should like to point out that that does not really fall under the head of Indianisation. It is a separate matter, and has regard to the pace taken by a particular community in the railway service in India. Now, my Honourable friend, Mr. Ranga Iyer, referred to the Report of a certain Commission as a document which he would not touch with a pair of tongs. I do not know that that carried any great conviction to my mind, nor was I quite sure what inference I was expected to draw from that.

Mr. O. S. Ranga Iyer: I was telling the Honourable the Leader of the House that the Legislative Assembly would not touch it with a pair of tongs and after discussion threw it into the waste-paper basket.

The Honourable Sir George Rainy: My Honourable friend has repeated himself, but he still carries no conviction to my mind, nor do I know what inference to draw from his statement. But what he asked me for was an undertaking that until the proper proportion of other communities was restored, there would be no further recruitment of Europeans and Anglo-Indians. I may say at once, in spite of the threat that he will vote against me in the Lobby, that that is an undertaking which I am not in a position to give. It is quite certain that in connection with the new constitution the question of whether European recruitment for the railway services should go on will arise. That every one recognises, but in advance of what may be settled in that connection, it is impossible for me at this stage to give an undertaking. As regards the Anglo-Indian recruitment, that question stands in a totally different position, and I think on two occasions in this House in previous Budget discussions, I have tried to make clear what the position of Government was. I pointed out that to suggest that a single community should in permanence hold such a high proportion, as they hold at present, of the railway appointments was not a proposition that any one would support. I said further that we would make it plain to the Agents that other communities must have the opportunity—and a fair opportunity—of showing their capacity in the classes of employment which had hitherto been mainly filled by Anglo-Indians. I also said that the change must come about gradually and that Government were not prepared to proceed at a pace which involved the dislocation of the whole economic structure of the life of the community. To what I said on these occasions Government still adhere. I quite understand and sympathise with the obviously natural desire—I will not say

[Sir George Rainy.]

on the other side of the House—but in all quarters of the House where the Indians sit, the natural desire to see appointments in their own country filled by the sons of their country. (Applause.) I come from a country myself where we are emphatic about that, although we make it a point, when we can, of occupying as many positions as possible in other countries. (Laughter and Applause.) But nevertheless I do sympathise with that desire. Only I would ask the House to consider this, that if possible they should strive, in satisfying their ambitions, not to do injustice. Of course, I recognise that there may be differences of opinion as to what is or is not injustice. But I do say that in the matter of the Anglo-Indian community, there is a big question to be faced and it is not to be solved in a rough and ready manner by the proposal that from now onwards we should recruit no Anglo-Indians until they have been reduced to the proportion of appointments which they would get on a population basis. I do not believe that if my Honourable friends were today sitting on the Treasury Bench with the actual responsibility upon them, they would adopt any such policy. That, Sir, I think, concludes what I have to say on this subject. This question of Indianisation has come up year after year. No doubt, my Honourable friends opposite think that we are very slow indeed. On the other hand, I think, my Honourable friend, Mr. Hayman, was able to show that we have made and are making substantial progress. Before very long the control of these matters may pass into other hands, and all I wish to say as regards that is that the best wishes of all of us who sit here at present will go with those who may sit in our places. (Applause.)

Mr. President: The question is:

"That the Demand under the head 'Railway Board' be reduced by Rs. 100."

The Assembly divided:

AYES—53.

Abdur Rahim, Sir.
Aggarwal, Mr. Jagan Nath.
Azhar Ali, Mr. Muhammad
Bhuput Singh, Mr.
Chandji Mal Gola, Bhagat
Das, Mr. A.
Das, Mr. B.
Dudhoria, Mr. Nabakumar Singh.
Dumasia, Mr. N. M.
Fazal Haq Piracha, Shaikh.
Gour, Sir Hari Singh.
Harbans Singh Brar, Sirdar.
Hari Raj Swarup, Lala.
Ibrahim Ali Khan, Lt. Nawab
Muhammad.
Ismail Ali Khan, Kunwar Hajee.
Isra. Chaudhri.
Jadhav, Mr. B. V.
Jehangir, Sir Cowasji.
Jha, Pandit Ram Krishna.
Jog, Mr. S. G.
Krishnamachariar, Raja Bahadur G.
Lahiri Chaudhury, Mr. D. K.
Maswood Ahmad, Mr. M.
Misra, Mr. B. N.
Mitra, Mr. S. C.
Muazzam Sahib Bahadur, Mr.
Muhammad.

Neogv, Mr. K. C.
Pandian, Mr. B. Rajaram.
Phookun, Mr. T. R.
Puri, Mr. B. R.
Puri, Mr. Goswami M. R.
Raghubir Singh, Kunwar.
Ranga Iyer, Mr. C. S.
Rao, Mr. M. N.
Rastogi, Mr. Badri Lal.
Reddi, Mr. P. G.
Reddi, Mr. T. N. Ramakrishna.
Roy, Kumar G. R.
Sadiq Hasan, Shaikh.
Sant Singh, Sardar.
Sarda, Rai Sahib Harbilas.
Sen, Pandit S. N.
Shafee Daoodi, Maulvi Muhammad.
Shah Nawaz, Mian Muhammad.
Shahani, Mr. S. C.
Singh, Mr. Gaya Prasad.
Sitaramaraju, Mr. B.
Sohan Singh, Sirdar.
Sukhraj Rai, Rai Bahadur.
Thampan, Mr. K. P.
Tun Aung, U.
Uppi Saheb Bahadur, Mr.
Yakub, Maulvi Muhammad.

NOES—41.

Abdul Qaiyum, Nawab Sir Sahibzada.
 Acheson, Mr. J. G.
 Alexander, Mr. W.
 Allah Baksh Khan Tiwana, Khan
 Bahadur Malik.

Ayyangar, Diwan Bahadur V.
 Bhashyam.

Bajpai, Mr. R. S.
 Banarji, Mr. Rajnarayan.
 Baum, Mr. E. F.

Boag, Mr. G. T.
 Chatterjee, The Revd J. C.
 Cocke, Sir Hugh.

Crerar, The Honourable Sir James.

Dalal, Dr. R. D.

Fazl-i-Husain, The Honourable Khan
 Bahadur Mian Sir.

Fox, Mr. H. B.

French, Mr. J. C.

Graham, Sir Lancelot.

Gwynne, Mr. C. W.

Hamilton, Mr. K. B. L.

Hayman, Mr. A. M.

The motion was adopted.

Mr. President: The next two motions on the Order Paper are from Dr. Suhrawardy* and Maulvi Muhammad Yakub†, the subject matter of which has already been disposed of. I understand that Mr. Ranga Iyer does not wish to move the next motion†

Mr. C. S. Ranga Iyer: I do not want to move it, Sir.

Lease of the Bengal and North Western Railway.

Mr. Gaya Prasad Singh (Muzaffarpur cum Champaran: Non-Muham-
 madan): Sir, I move:

"That the Demand under the head 'Railway Board' be reduced by Rs. 100."

I make this motion in order to elicit certain information in regard to the future fate of the Bengal and North Western Railway. I understand the lease expires at the end of this year, and I should like to have a clear statement of policy from Government as to how they want to dispose of this question. In reply to a question which I put to my Honourable friend the Railway Member the other day, he said that a committee was going to be appointed in order to report upon this question. I should like to know specifically what sort of committee it is going to be, how many members are likely to sit on it, and whether the materials necessary for a correct determination of this question have been collected or not. So far as this House is concerned, Honourable Members know that it has already declared itself unmistakeably in favour of State management in preference to Company management. I am not going to commit this House to any particular view so far as the future position of the Bengal and North Western Railway is concerned.

*"That the Demand under the head 'Railway Board' be reduced by Rs. 100. (Representation of the Moslems.)"

†"That the Demand under the head 'Railway Board' be reduced by Rs. 100. (To raise the question of the representation of the Muslims on the Railway Services.)"

**"That the Demand under the head 'Railway Board' be reduced by Rs. 100 (Communal Representation in Railway Services)"

Heathcote, Mr. L. V.

Hezlett, Mr. J.

Jawahar Singh, Sardar Bahadur
 Sardar.

Khurshed Ahmad Khan, Mr.

Montgomery, Mr. H.

Moore, Mr. Arthur.

Morgan, Mr. G.

Mukherjee, Rai Bahadur S. C.

Parsons, Mr. A. A. L.

Rafiuddin Ahmad, Khan Bahadur
 Maulvi.

Rainy, The Honourable Sir George.

Rov. Mr. K. C.

Sahi, Mr. Ram Prashad Narayan.

Sams, Mr. H. A.

Scott, Mr. J. Ramsay.

Sher Muhammad Khan Gakhar,
 Captain.

Shillidy, Mr. J. A.

Studd, Mr. E.

Sykes, Mr. E. F.

Tin Tut, Mr.

Young, Mr. G. M.

[Mr. Gaya Prasad Singh.]

But I should like to have a clear statement of intention from my Honourable friend the Railway Member on this point. I understand other railways pay a very small amount of dividend to their shareholders; but this railway last year paid its shareholders as high as 18 or 19 per cent.; and undoubtedly this is a paying proposition. I should like to know as to when this railway is to be taken under State management, and the functions and scope of the committee which is going to be appointed.

Mr. E. F. Sykes: Sir, I should like to say a few words on this motion of Mr. Gaya Prasad Singh. I am not discussing the rights and wrongs of the matter any more than he did, but I think it is necessary for the Government to throw a little more light on this matter and say what progress they are making. A decision has to be arrived at by the end of the current year. The committee has not yet been appointed; when the committee has been appointed it will have to consider its procedure and the information it requires; and presumably no decision can be arrived at until the views of the Company as regards the terms on which they are willing to modify their existing contract have been received. If I remember rightly, at the last meeting of the shareholders of the Company, the Managing Director stated that they had received no communication from the Government of India on the subject of the renewal of their agreement. I am only speaking from memory; I may be wrong, but I should like to hear from the Honourable Member whether that means that they have received no formal communication, or whether the matter has been under discussion with the Company through the various channels open to Government without writing formal letters to them through the Secretary of State.

Mr. B. Das (Orissa Division: Non-Muhammadan): Sir, my Honourable friend Mr. Sykes has brought me to my feet. I did not want to take part in this discussion, but I wish to remind my Honourable friend, Mr. Gaya Prasad Singh, of what happened last Simla Session. The Government gave out they had to find only £12 millions to purchase this particular railway and the Assam Bengal Railway. I wish to reply to my Honourable friend, Mr. Sykes, that the procedure will not take much time; it does not require to take any time. If Government apprehend that they cannot collect this £12 millions, although I am not a sharebroker, I will underwrite this amount, and from what I know of India, India will find ten times this amount to purchase this particular railway. I wish to remind the Honourable the Railway Member of the Resolution passed in the United Provinces Council and of the Resolutions passed in the Bihar and Orissa Council, which show that the people who inhabit that part of India and use this railway are most anxious to see that Government possess that line. I do not see any necessity for the appointment of a committee to consider whether the Finance Member cannot get £12 millions from India on this date. The money is there. It is the will that is necessary. Sir George Schuster spoke during the debate in Simla and I think my Honourable friend, Sir George Rainy, also took part in that debate. India is in no mood to see that any part of its railway should be managed by any outside companies, and if successive Secretaries of State have in the past allowed the railways in this country to be managed by foreign companies, as they did particularly in the case of the B. N. R., without imposing any conditions, limitations or penalties from 1912

to 1950, I warn the Secretary of State, as well as the Government of India, that they should know that India wants to acquire every bit of the railway line in this country. Even if we borrow 12 crores at 6 per cent interest, there will still be a surplus left, because the B. N. W. R. is paying a 16 per cent. dividend to its shareholders. It may be contested by my friends Mr. Hayman and Mr. Russell and they might say that when it comes to actual management, the establishment charges will go up, expenditure will rise and the dividends may not be as high as 16 per cent., but still let the dividends come down to 12 per cent. or 10 per cent., but the money that will be borrowed for paying the external capital for investment on that railway will recover its interest amply.

The Honourable Sir George Rainy: Sir, I do not think I shall have much difficulty in answering the points that have been raised in this discussion. In the first place, as regards the policy of the Government—and the policy of Government is to take the House fully into its confidence—we wish to place before the Committee we propose to appoint all the information we have and all relevant considerations and to get the advice of the Committee.

As regards the constitution of the Committee, I should be very willing to meet the wishes of the House in this matter as to the method by which it should be constituted. Possibly, before I move a motion on that behalf, there may be opportunities for consultation with representative men from the various groups in this House. We have no particular preference for one method over another so far as Government are concerned.

Then as regards the point raised by Mr. B. Das, I am very grateful to him for informing me that the money, that is I think 12 million sterling, is there. The question is where is "there", because I want it here in order that I may make use of it, and the House must realise that there is a very big practical question to be faced and a grave doubt whether the sum required could be obtained. If the money cannot be obtained we have to consider what other alternatives are possible; and if we cannot secure everything that we want, can we secure part of it. All these questions will have to be considered by the Committee. I have not moved for its appointment earlier, because until we have had the replies from the Local Governments of Bihar and Orissa and the United Provinces, the information that we desire to place before the Committee is not complete, but the motion will be made before the end of this Session. The Committee, I think, would very likely wish to have a meeting towards the end of the Session or just after the Session, and future procedure will depend on what the Committee may desire. In any case, the matter would come before the Assembly at its next Session.

My Honourable friend Mr. Sykes wanted to know whether there had been any communication between the Government of India and the Company. The point is really this. So far as the sum which the Government of India would have to pay if they purchased the line, there is no occasion for any communication, because that has already been settled some years ago. There is no question about that, and it is only in the event of an attempt being made to find some intermediate path that the question of communication with the Company would arise. Before making any such communications, the Government of India would wish

[Sir George Rainy.]

to have at any rate the approval and concurrence of any Committee that might be set up. It would not be right, I think, that the Government of India should enter into negotiations with the Company in advance of ascertaining either the opinion of the Assembly, or at any rate the opinion of those who may represent it on this Committee. That, I think, Sir, completes all I can say on this subject.

Mr. Gaya Prasad Singh: Sir, in view of the information the Honourable the Railway Member has placed before the House, I wish to withdraw the motion.

Mr. President: Does the Honourable Member wish to withdraw his motion?

Mr. Gaya Prasad Singh: Yes, Sir.

The motion was, by leave of the Assembly, withdrawn.

Remodelling of the Patna Junction Railway Station.

Mr. Gaya Prasad Singh: Sir, I beg to move:

"That the Demand under the head 'Railway Board' be reduced by Rs. 100."

I make this motion for the purpose of eliciting information with regard to the proposed remodelling of the Patna Junction Railway Station. I may say, Sir, that the Patna Junction Railway Station is an important one, Patna being the capital of Bihar and Orissa. The accommodation is very limited at that station, and it is very cramped. In the lavatories of 1st and 2nd class waiting rooms, as well as in the bathrooms there is no water tap. There is one other important defect at that station, and it is this, that while the European refreshment room is very conveniently located on the platform itself, the Indian refreshment room is relegated to outside the station at a distance, and the result is that, Indian passengers have to suffer a great deal of inconvenience. I took up this matter so far back as 1928, and I asked a question also on the 5th February, 1929. In reply to that question, I was informed that the Agent of the Railway wished to take up the question of remodelling in 1930-31, but so far, I understand no steps have been taken in that direction. I would therefore like to know whether it is the intention of the Government to take up the question of the remodelling of that station at an early date. I see that huge sums of money have been wasted over stations like Lucknow, Cawnpore, Bombay Central and at other places, and I do not know why Patna has been quite neglected. I only desire that the necessary improvements should be made at that station as soon as funds permit. When His Majesty the King Emperor as well as the Prince of Wales visited Patna, the station was found to be so inconvenient and unsightly that a special platform had to be constructed for their landing at some distance from the railway station. I would therefore like to know when this point is to be taken up, especially with regard to the refreshment rooms.

Pandit Ram Krishna Jha (Darbhanga cum Saren : Non-Muhammadan): Sir, I come from Patna and I realise the difficulties which my Honourable friend, Mr. Gaya Prasad Singh, has just mentioned. At Patna Junction Station the waiting room is as bad as any waiting room could ever be, and although the attention of the Station Master and of the higher authorities concerned there was drawn to this defect, they said that they could not do anything in the matter. I therefore support the motion moved by my Honourable friend.

Maulvi Muhammad Yakub: Sir, it is not my intention to minimise the importance of the Patna Junction Railway Station. Of course, the railway station at Patna is not so important because it is the seat of the Provincial Government, but I really attach greater importance to that station because it is the junction railway station of the province to which my friend Mr. Gaya Prasad Singh belongs. If his motion is restricted only to eliciting information about the inconveniences which the passengers experience at that station, I will have nothing to say to it. But if my Honourable friend wants something more, if he wants that improvements like remodelling or extension of the railway station should be taken in hand in the near future or in the present year, then I am sorry to say that I cannot agree with him on that point. If follies were committed in the past by the Railway Board in constructing big stations at Lucknow and Cawnpore—they have constructed a huge station at Lucknow which is never used by the passengers, and which was never required by the passengers—if they have spent in the past huge sums which they ought not to have spent, there is no reason why they should commit another folly and build another very big station at Patna and other places. Especially in this year when we are pressing for retrenchment and when we want that retrenchment should take place in the Railway Department in all directions, I think that it would not be reasonable for us, at this stage, to press for an improvement of the sort which my Honourable friend wants. With these remarks, I should say that I do not agree with my Honourable friend.

Mr. A. A. L. Parsons (Financial Commissioner, Railways): The Honourable the Railway Member has asked me to reply to this motion because I believe he shares that local patriotism which is so marked a feature of my Honourable friend Mr. Gaya Prasad Singh, and he perhaps thought that somebody who had no bias in any direction should deal with the matter.

The position has been stated quite plainly by my Honourable friend. Attention has been drawn to the matter by him in recent years, and in reply to one of his questions he was told that it was recognised that the arrangements at the Patna Junction were not as good as they should be, and that we had told the Agent that when he had money to take up the remodelling of the junction, he must arrange to improve them, more particularly, in connection with the Indian refreshment room. But that can only be done when we take up the remodelling of the junction.

Here, I would like to interpolate one remark on the question of building railway stations. Even at the stations mentioned by my Honourable friend Maulvi Muhammad Yakub, the main object we had was not so much to improve a station building as to remodel the station itself, the lines and so on, because the traffic had grown so large that with the existing junction arrangements, it could not be carried conveniently. I believe that is also the case with Patna, and the remodelling of the junction there is, I would not say a matter of great urgency, but a matter of some importance. On the other hand, on the main point, though I agree that the arrangements at Patna are not all that they should be, I must agree with my Honourable friend, Maulvi Muhammad Yakub, that in the circumstances of the present time, we are not able to put down money for it in 1931-32. But I will not commit myself to saying anything about the future; there may be a better turn of affairs in 1932-33; I do not know when we will again consider whether that remodelling can be taken up.

Mr. Gaya Prasad Singh: Sir, my Honourable friend Maulvi Muhammad Yakub, as usual, misunderstands the point of every motion except the one which relates to communal representation. (Laughter.) I never wanted to say that the follies committed in Lucknow and Cawnpore should be repeated at Patna Junction, and I do not think that any other Member of this House got that impression from my speech. It was left to my Honourable friend to read that meaning into my motion.

Maulvi Muhammad Yakub: But I understand the importance of that station all right because you belong to that place. I have understood you very well.

Mr. Gaya Prasad Singh: The only point of my motion was that there appears to be a sort of racial discrimination existing at that station, as the Indian refreshment room is located at some distance from the station building itself, and the Indian passengers are put to very great trouble and inconvenience, while the European refreshment room, which is run by Kellners, is conveniently located on the platform itself. I want that this inconvenience and this discomfort to Indian passengers should be removed. I gather from my Honourable friend Mr. Parson's reply that most probably they will be prepared to take up this question at the next opportunity when the financial situation improves. Do I understand the Honourable Member aright?

Mr. A. A. L. Parsons: What I explained was that we should not be able, owing to financial reasons, to take it up in the next financial year, and that I could not bind myself one way or the other whether we should be able to take it up in the following year. It all depends on the money that we are able to get in the year after next, and I am afraid I cannot venture a prophecy.

Mr. Gaya Prasad Singh: I quite recognise the financial stringency that exists at the present time, and we on this side of the House have been trying to cut off as many items as we can in order to tide over the present stringency to which my Honourable friend referred. In those circumstances, I do not wish to press my motion, but I would only wish to say that when the next opportunity occurs this point may not be overlooked at Patna, and the discomfort which the people there are put to should be removed. I ask for leave to withdraw the motion.

The motion was, by leave of the Assembly, withdrawn.

Mr. Gaya Prasad Singh: I do not move motions Nos. 23* and 24†. I am anxious to give my Honourable friend, Kumar Gopika Romon Roy, an opportunity of speaking on the maladministration of the Assam Bengal Railway, if his motion is reached.

Recommendations of the Public Accounts Committee not given effect to.

Mr. B. Das: I beg to move :

"That the Demand under the head 'Railway Board' be reduced by Rs. 1,000."

*"That the Demand under the head 'Railway Board' be reduced by Rs. 100. (Convenience of travelling public—over-crowding, etc.)"

†"That the Demand under the head 'Railway Board' be reduced by Rs. 100. (Substitution of competitive examination for railway appointments in place of nomination, abolishing all preference based on religion, race or community.)"

I have given notice of this cut in order to seek information from the Railway Board about the recommendations of the Public Accounts Committee and what effect has been given to them. I do not wish at this stage end of the budget discussion to inflict any speech on the House, but I will only put a few interpellations so that it may be possible for my Honourable friend, Mr. Parsons, to reply to the same.

I do not wish to go into the Reports of previous years, and I would only ask him questions about the last Report. Of course, as I said the other day on the discussion of the Report of the Public Accounts Committee, there is a special officer in the Finance Department whose duty is to ask from every Department of Government of India for three-monthly Reports, wherein the Departments show what action they are taking on each individual recommendation of the Public Accounts Committee. But, so far, we on this side of the House have had no opportunity of knowing what sort of Reports have been received from the respective Departments.

I want to know whether commercial accounts have been introduced in the railway collieries, both in the Company-managed and State-managed railways. I want to know what steps Government are taking to show the results of each railway in the form of regular trading and profit and loss accounts and balance sheets. If I understood the witnesses from the Railway Board aright, they promised that they would bring them out this year. Then, I would like to know what the Railway Department are doing to give increased orders through the Indian Stores Department,—whether they are going to confine their action only to pious promises, or whether they are taking real steps in order to increase the purchases through the Indian Stores Department. The Public Accounts Committee pointed out that reappropriations from State-managed railways to Company-managed railways under each grant should not be made in every case, but left a discretion to the Financial Commissioner of Railways that in special cases he could make such reappropriations.

Mr. A. A. L. Parsons: Will the Honourable Member tell me the paragraph of the Report to which he refers?

Mr. B. Das: Paragraphs 22 and 23 on page 9. I wish to concede to the Honourable Mr. Parsons that he could make reappropriations under the same head from State-managed to Company-managed railways in exceptional cases. I would like to know the decision of the Railway Board—whether they agree to the recommendations of the Public Accounts Committee that it should not be a general practice. Then, Sir, we have found that there is always bad blood and bad feeling between the Agents of the railways and the Audit Department. It was pointed out in the last year's examination that in the Company-managed railways, formerly much ill-feeling existed between the Government Examiners and the Agents and Engineers of the Company-managed railways. Mr. P. R. Rau made special investigations into it and he submitted a Report which showed that there would be in future better co-operation between the Agents and the Engineers of the Company-managed railways and the Government Examiners and the Committee recommended:

"We hope that as a result of that action taken there will be better co-operation between the Railway Accounts staff and the Government Examiners and that discrepancies in the evidence tendered to the committee will be things of the past."

[Mr. B. Das.]

I want to know what steps are being taken by the Railway Board to issue instructions to the Engineers and Agents of the Company-managed railways and also their accountants. Then, Sir, strategic railways are not really necessary for the public of India. The expenditure is carried out on account of military necessities and the Military Department have thrown this expenditure on the railways and the Military Department receives concessions in rates of goods and passenger traffic, which cost the tax-payer a lot of money and it is not charged to the military side but to the civil side. It came out only in last year's discussion that a small railway, the Decawville Railway, which my friend Mr. Ramsay Scott visited while he was doing military duty during the War and about which he took considerable part in the discussion, which was worthless and not worth even a rupee, was purchased at eight lakhs and shown as capital charged to the railways. The Public Accounts Committee on page 25, para. 46 said :

"The Committee were of the opinion that, so far as they were concerned, the necessity for debiting the purchase of the Decawville Railway to railway capital, by credit to the Army Department, had not been established."

This item involves only a sum of Rs. 8 lakhs but I want to point out to the House that crores of such expenditure like this lie concealed, which ought properly to be charged to the Military expenditure. I would like to know what further action has been taken by the Railway Board on that particular recommendation of the Public Accounts Committee, and as no Public Accounts Committee has been constituted, I would like to ask my Honourable friend Mr. Parsons what has been done about the classification of stores on the E. I. Railway, whether the work has been completed, as it was assured by him and the Controller of Accounts that it would be done by February of this year. Then I would like to ask the last question about the Kangra Valley Railway of which the Public Accounts Committee took serious notice. Governors come and Governors go, and they have got fads and want to build railways. The Kangra Valley Railway was a fad of a particular Electrical Engineer of the Punjab Government, who wanted to have a hydro-electric scheme in Mandi. To save themselves a few lakhs of rupees, which will have to be spent by the Punjab Government in building a light railway for the transportation of electric machinery and plant, the Punjab Government came to the Government of India and persuaded them to construct the Kangra Valley Railway at a cost of three crores. The scheme was undertaken without complete estimates and this happened only three years ago. The expenditure was three crores, while the original estimate was only one crore, and to the discredit of the financial control of the Railway Board and the technical engineers of the Railway Board, they only asked the Punjab Government to guarantee four lakhs of rupees as interest for a period of 10 years on the capital spent by the Government of India. It is a disgrace. This is one of the instances to show how money is squandered by the Railway Board. I want to know certain particulars on the floor of this House as to the action taken by the Railway Board on the special Report of the Kangra Valley Railway Committee.

Mr. A. A. L. Parsons: Sir, Mr. Das has put rather a difficult task to me because the Report of the Committee, of which he is so energetic a member, came into my hands only in December, and though in spite

of our preoccupations with the Budget and so on, we have taken some action on it, there are a good number of points mentioned in it, which have not yet been considered. In his desire to enumerate a very considerable number of points, Mr. Das began with one which does not relate to the Department for which I am speaking, the preparation of the three monthly Reports. I am afraid he must put his question with regard to that to the Honourable the Finance Member and not to me. I can however give him certain information with regard to a good many of the items which he has mentioned, and I will take them in the order in which he dealt with them and attempt briefly to indicate how the position now stands. About the commercial accounts of collieries, we are anxious to get them, and I think that the outstanding questions will probably be settled in the course of the next two or three months, so that we shall soon be able to have these commercial accounts. Next there are considerable difficulties, as I explained to the Public Accounts Committee, in getting a proper balance sheet and profit and loss account for each individual railway, the particular difficulty being this, that we have not distributed loans over the several railways, so that we can say that for expenditure, for instance on the E. I. Railway, so much capital has been raised by a particular loan bearing interest at $3\frac{1}{2}$ per cent. or whatever it might be; and until we can do so it is very difficult to get a really accurate profit and loss account. We are however working out as accurate an account as we can, and I propose, when the session of the Assembly is over, to discuss the matter with the Honourable the Finance Member and see if we cannot get at something which will give the Public Accounts Committee what they want. It is really, as I understand their desire, not so much an absolutely account commercial balance sheet as something which will enable them to review the results on any one railway over a period of years. I shall explain what we have done to give effect to the desire of the Public Accounts Committee when I discuss the matter with them.

The Indian Stores Department is the next point that Mr. Das mentioned. We are increasing the number of items of stores which we buy through Mr. Pitkeathly's organization. Our method now is to have twice a year meetings with Mr. Pitkeathly and his officers in which Mr. Pitkeathly puts forward those articles of use on railways which in his opinion he could purchase advantageously for us. We discuss these items with him, and if he can show us that, by buying through his organization he can save us money, we buy through his organization. If not—we ourselves being a commercial concern—we are not prepared to pay one per cent. as commission for his services unless we ourselves see that we shall get some definite advantage.

If Mr. Das will forgive me, Sir, I do not think he at all accurately described the recommendation in the Report with regard to reappropriations between State-managed and Company-managed railways. The recommendation in the Report had nothing whatever to do with the powers of re-appropriation to be exercised by the Government of India. It was recognized in the Report that the Railway Board are entitled to reappropriate funds from one railway to another within the same grant. There was no recommendation for any alteration in those powers. There was in fact no positive recommendation of any kind. What was recommended was that we should carefully consider whether we should have separate

[Mr. A. A. L. Parsons.]

grants for the working expenses of Company-managed railways and State-managed railways. I should like to explain to the House exactly what the effect of that suggestion, if adopted, would be. It would affect Demands Nos. 4 and 5—the two Working Expenses grants. Instead of having as we have at present, all the railways shown together in those Demands under the heads for their various departments—Agency, Medical and so on—we should have two Demands for Administration, one for the administrative expenses of the State-managed railways and one for the administrative expenses of the Company-managed railways and the same for the Working Expenses, Repairs and Maintenance and Operations. Now the matter was very carefully considered by the then Standing Finance Committee for Railways when we drew up the existing forms of Demands, and it was decided that, as they are now drawn up, the Assembly would be given a better opportunity of discussing them and of controlling the expenditure under them than if we adopted in their place a distribution either by individual railways or by groups of railways. I should like to take an instance. Assuming that the Budget was before the House and that the treatment of labour generally on the railways was a subject which the House or any Member of it desired to raise, the normal way of doing so at present would be to put down a motion for a reduction under the Demand No. 5. As we stand at present, Sir, the House could then discuss the treatment of labour on railways as a whole. If, on the other hand, you were to split up these Demands into two groups, Company-managed and State-managed Railways you would have to confine your debate to the treatment of labour on Company-managed railways or to the treatment of labour on State-managed railways. I am speaking now with some knowledge of previous rulings on that subject. It therefore seems to us that a further splitting up of the Demand heads is probably not desirable. I may say that from the point of view of railway administration or of the Railway Board's control of expenditure, it would not affect us in any way; but I think from the point of view of this House it would be a retrograde step.

The next subject touched on by my Honourable friend was co-operation between audit and the Railway Administrations. I am hopeful that the measures taken last year will bring about the desired result. It has to be realized that a very considerable sum of money has recently been spent on extending the activities of audit on the Indian railways, and that at the moment, this extended audit is in the nature of an experiment. In a few years' time reports are to be made whether the experiment has been working satisfactorily or not. Those reports will be obtained both from the audit officers concerned and from the Railway Administrations, so that both sides' points of view will be available to the persons who have then to make the decision. I should like to say only one thing. I think the extended audit may be useful, but it will only be useful if it is not too meticulous and if it is conducted in a spirit of help rather than of mere criticism of the Railway Administrations.

Sir, I do not know that I need discuss at any great length the question of the Decauville Railway. What happened was that this small line in 1923—or it may have been a year or two earlier—was transferred from the control of the Army Department to that of the Railway Department. At that time there was no separation of Railway finance from General finance,

and it really did not very much matter where the accounts of that line were shown. Even now it does not matter because the line has been treated as a strategic line, and the cost of writing-off the loss will fall in effect on general revenues.

As regards the classification of stores on the East Indian Railway, in pursuance of a promise which I made to the Public Accounts Committee, I gave the Controller of Railway Accounts all the staff that he considered necessary to put the stores position right. I have not myself had time to read the Report which he has just submitted and which will be presented to the new Public Accounts Committee when it is elected, but I gather, since Mr. Mitra does not ask me to continue the extra staff any longer, that in his opinion the position is very nearly cleared up.

* Lastly, my Honourable friend referred to the Kangra Valley Railway. In a reply which I gave in this House some days ago I explained that though the Committee which we had appointed to investigate the matter had reported, and though the Government of India had practically formed their conclusions on the subject, it was a matter of correspondence with the Secretary of State, and that until that correspondence had been finished and a final decision reached, it was not possible to make any statement. I am afraid that is still the position today. There is no doubt whatever that as soon as a final decision has been reached, it will be made public both to the Members of the Assembly and to the Public Accounts Committee.

Mr. B. Das: Sir, I congratulate my Honourable friend, Mr. Parsons, on the way in which he has tried his best to reply to the points raised by me. While I have the recommendations of the Public Accounts Committee at my finger-tips, it is very difficult for him, occupied as he is with the Railway Budget and various other things, to come prepared or to pay attention to all the recommendations of the Public Accounts Committee as regards Railways. I should give him some advice and ask him to adopt the same procedure as the Finance Department is adopting. The Finance Department has got a special officer to look into the recommendations of the Public Accounts Committee and to see that those recommendations are enforced on every Department of the Government of India. As his Department is one in which the Budget is almost equal in importance to the General Budget, he should see that the recommendations of the Public Accounts Committee are scrutinised by one of his Accounts officers and enforced. It has come to the notice of the Public Accounts Committee that there are various subordinate Departments of the Government of India that pay no heed to the recommendations of the Public Accounts Committee until the Budget officer or one of the officials of the Finance Department draw their attention to it. Sir, I do not want to argue much with my Honourable friend, Mr. Parsons, as I hope that as time goes on his Department will see that the recommendations are given effect to. I wish only to draw his attention to paragraph 38 on page 14 of the Report:

"We do not desire to add to the length of this Report by including in it comments of minor importance which appear in the Proceedings appended. We desire that the suggestions and recommendations made therein should be dealt with in exactly the same manner as those embodied in the Report proper."

[Mr. B. Das.]

I quote this because I am not satisfied with the reply which my Honourable friend gave regarding reappropriation of funds from the State-managed railways to the Company-managed railways, although I can understand his difficulty in full. In paragraph 23 this particular point has been discussed in full by the Public Accounts Committee:

"The policy of over-allotment has been given up in the case of capital expenditure, and it does not appear to us that the discretion should be allowed in all cases of expenditure chargeable to Railway revenues. We are prepared to agree that it may be allowed in the case of grants relating to administration, operating expenses and surplus profits to Railway companies, but not in other cases."

I am drawing his attention to it because my friend observed as he did before the Public Accounts Committee that he will not be able to fit in his administration with the recommendations of the Public Accounts Committee; but when a final recommendation and a unanimous recommendation is made by a Committee over which the Finance Member presides, the Department of Mr. Parsons should have to give effect to it and take those recommendations into consideration.

Sir, I will make only one observation about the Profit and Loss Account of the Railways. My friend Mr. Parsons repeated the same arguments here as he advanced in the Public Accounts Committee; and in spite of his strong plea that it is difficult for his Department to at once evaluate the amount of capital and their interest charges that has been spent on the different railways during the previous year, the Director of Railway Audit, Mr. Kaula, pointed out—it was not pointed out by a non-official but by a Government member—if the Company-managed railways can produce their balance-sheets every year, why not the State-managed railways? And as far as I understood the railway witnesses, balance-sheets will be produced in the coming year. Of course my friend Mr. Parsons wants to take time and consult the Finance Member and we have to remember that the Honourable the Finance Member was the Chairman of the Committee and surely he will advise him to bring forward in book form the profit and loss accounts of the different railways. As my Honourable friend Mr. Chetty rightly tells me, this was also the special recommendation of the Dickinson Committee, and neither Mr. Parsons nor his friends have given effect to that recommendation. They have gone to the extent of getting special pressure exercised on them from the Public Accounts Committee to bring out this Profit and Loss Account which they have not yet brought out and which they will have to bring out before September next.

Sir, I wanted to bring to the attention of the Railway Member and the Financial Commissioner that they must be alive to the various recommendations of the Public Accounts Committee, and I do not want to challenge them to a division on this motion. I want to help them so that they will exercise proper financial control. With these few words I beg leave to withdraw the motion.

The motion was, by leave of the Assembly, withdrawn.

Maladministration of the Assam Bengal Railway.

Kumar G. B. Roy (Surma Valley *cum* Shillong: Non-Muhammadan):
Sir, I beg to move:

"That the Demand under the head 'Railway Board' be reduced by Rs. 100. (Maladministration of the Assam Bengal Railway.)"

Sir, it had been my lot to have had to move a similar cut regarding the same railway in the Assam Council in the year 1930, and I had the satisfaction of being able to convince the majority there. Matters have hardly improved since then. I would not have moved this cut if I had seen any intention of a forward move towards an improvement of the existing state of affairs. I have the proud privilege of stating that no railway can break the brilliant record of maladministration of our pet Assam Bengal Railway. If we go for redress to the Assam Bengal Railway Company, they turn a deaf ear to our cry and the grievances which are from time to time made in the local newspapers. If we go to our provincial Legislative Council, i.e., the Member in charge of Railways in the provincial headquarters, promptly comes the reply that it is a Company-managed railway and they have no control over it; the matter may be placed before the Central Legislature. The meaning is that railways are the pet subject of the Central Legislature. So he is unable to give us any relief there. If we try to ventilate our grievances here on the floor of this House, there comes the reply from the Treasury Benches, "paucity of funds". Sir, scarcity here, scarcity there, scarcity everywhere. That is the proverbial official red tapism which amounts to nil in the long run, and such is our lot. However, when I represent millions who do not know what I am doing here and who are quite helpless as there is no other competitive railway or any other transportation to take recourse to, we remain helpless. Sir, I appeal to the Honourable Members for their kind consideration of my grievances and ask for proper redress thereto. First of all, I will give an idea to the House about the running of trains and their timings, not of the branch line trains but of the main ones. One Up Surma Mail leaves Chandpur at 21-10. This station is a junction between the steamer and the railway. Then leaves 7 Up Mixed at 21-42, then starts 25 Up at 4-50, then comes 15 Up which leaves at 10-10; then comes 9 Up which leaves at 15. Sir, for the information of the House I must say that Chandpur is a station where the passengers have to tranship to the steamers for Goalando and Narayangunge. Now, I think the House will be interested to know the time of the arrival of the down Chandpur trains. 2 Down Surma Mail arrives at Chandpur at 3-50; this is the only train of the Assam Bengal Railway which is connected with the steamer services of Goalando and Narayangunge. If any passenger for Calcutta or any other intermediate steamer station misses the 2 Down Mail, he has to wait for fully 24 hours to get a steamer. Other mixed through trains arrive at Chandpur. 10 Down at 12-54, which is connected with the Barisal steamer and has no connection with the Calcutta mail steamer, which runs from Narayangunge to Goalando in the afternoon. The 8 Down train arrives at Chandpur at 18-34. Perhaps it is needless to say that the mail train does not stop at all the stations, but at the principal ones only. Now, if a passenger for Calcutta from any intermediate stations within Badarpur, Karimgunge, Juri, Kulaura, Shamsheernagore, Bhanugach, Srimangal, Shaistagunge or Akhaura Junction is to go to Calcutta, he will have to get into a passenger train which leaves Badarpur, i.e., 4 Down at 7-55 in the morning after the train which is called 94 Down, and she leaves Badarpur at 10-45 in the morning. But for reasons better known to the Assam Bengal Railway authorities, this train stops at Srimangal from 19-47 till 22. Hence the passengers who intend travelling from the intermediate stations to any station of the steamers or the Eastern Bengal Railway must change here for the mail depending on their luck whether they get room in the train or not. So a

[Kumar G. R. Roy.]

passenger to travel a distance of about 208 miles, i.e., the distance from Badarpur to Chandpur, must either rot for fully one day and one night, or he must take his chance by the 94 Down, which moves at the speed of a tortoise. The Assam Bengal Railway specialises in doing things which are likely to inconvenience the travelling public most. Their best friends will not be able to give them the credit for ever having done anything for the convenience of passengers. There are innumerable similar grievances which will tire the Honourable Members if I go through the list of them. (Laughter.) It might be a matter of laughter to you, but it is a real grievance to us.

Coming to the carriages, I will quote from page 134 of the Assam Legislative Council Proceedings of the 15th March, 1930. I put a set of questions to show up what they are like:

"(a) Are the Government aware that a third class compartment bearing No. 585 is running between Karimganj and Dullaycherra stations on the Karimganj-Langai Valley Branch line of the Assam Bengal Railway?"

(b) Are the Government aware that the aforesaid compartment is in the most dangerous condition with no doors on one side and the opening closed with wooden splinters.

(c) If the answer to question 39 (b) be in the affirmative will the Government be pleased to state what steps they propose to take to prevent the use of such carriages by the Assam Bengal Railway Company?"

The reply from the Railway Member was:

"(a) and (b). Government have no information, but will bring the question to the notice of the Agent of the Railway."

The Member in charge knowing facts as they were, had not the heart to say "No", but merely undertook to refer the matter to the Agent. This is the type of the carriages that are chosen for passengers in the Assam Bengal Railway. As regards the appearance of a train, I may refer the House to page 123 of the Assam Council Proceedings:

"Sir, I think the members of this House might have noticed the way in which the Assam Bengal Railway is allowed to run trains on the branch line, not to speak of the branch lines, on the main lines as well. First of all, a train from the first appearance could hardly be recognised whether it is a passenger train or a goods train. When the train stands at the station, the goods wagons occupy the whole of what we call the platform. But it is only a platform in name—it is rather the caricature of a platform. The passenger carriages are allowed to stop in such a way that the footboard is sometimes 3 or 2½ feet above ground-level. * * If you will kindly go to a station you will see the old type carriages are higher and the new type carriages are a bit lower. Then, Sir, not to speak of ladies and the female folks who travel by the third or intermediate class, it is hard even for a gentleman of my standing to alight from the train without the risk of an accident or injuring the feet. * * I have made a tour throughout the length and breadth of India and I have not seen a railway line without any platform and I think everyone will admit that it is only the Assam Bengal Railway in India which is allowed to run without providing platforms at stations. The passengers are to take care of their lives and property as they like.

Then, as regards proper sheds, Sir, I think my friends and my colleagues here have all noticed that excepting a few stations—Badarpur, Lumding, Akhaura, Laksam (*I need not go further*) and Gauhati in the Assam Valley—the Stations on the Assam Bengal Railway are mere caricatures of the stations of other railways."

There are no waiting sheds. Just imagine the plight of the passengers when it rains cats and dogs during the Assam rainy season when they have to entrain with their luggage, etc. That is to say, no notice of the comforts of the passengers is ever taken in all these matters.

Then regarding facilities for the passengers while travelling by trains on the Assam Bengal Railway to have their meals and baths at proper times. In India I have travelled by various railways. On other railway trains which run day and night they have got arrangements for baths, but on the Assam Bengal Railway, not to speak of third class and intermediate class passengers, I should like to point out, that for the first and second class passengers even there is no such arrangement, and the train is not so timed that it will arrive at some station where passengers may have breakfast, dinner, lunch, etc.

Mr. B. V. Jadhav (Bombay Central Division: Non-Muhammadan Rural): All at one time?

Kumar G. R. Roy: Not any at any time; it requires common sense, my dear Sir, (Laughter) to imagine such a state of affairs. Again, Sir, the Assam Bengal Railway is famous for its irregularities. The mail may be timed to arrive at a place at, say, 15.15 hours; but we will not be surprised to see that she is entering the station at 19 hours. And this is usual. And that is my point regarding that. The Honourable Members may imagine under a hot sun, on hot days, how difficult it is to travel without any bath and without any meal.

Regarding the third and intermediate class passengers, I beg to draw the attention of the House to the fact that there are only nominal arrangements for refreshments in four or five stations only. In others there are no arrangements for refreshments at all. I can cite instances of other railways in India, where in almost all stations there are arrangements for refreshments, except when there is an epidemic in the vicinity and no vendor is allowed in the station. Otherwise there is an arrangement in every station for the supply of refreshments, of fruits or some other things as the case may be. But here there is hardly any arrangement at stations other than the four or five stations, as I have mentioned before.

Further I may draw the attention of the Honourable Members to this and it may be amusing to them to learn that from Calcutta to Karimganj it is only 400 and odd miles and from Calcutta to Delhi it is 903 miles, and the wonder of all wonders is that the first class fare is almost equal.

An Honourable Member: What about the third class?

Kumar G. R. Roy: The third class fare is almost the same. Again all over India we have the return ticket system, whereas here there is no return ticket on the A. B. Railway lines. But when a passenger travels jointly say with steamer or with another foreign railway, then there is the provision of a return ticket. Why should we not have the privileges that the other railways in India give?

Then there is the other question, *viz.*, that the Assam Bengal Railway lines are not protected by proper fencing to avoid accidents. Perhaps it has not passed without notice that from the last year on the Sylhet Kulaura line there were many accidents. I have hardly seen a railway in use in other parts of India without any fencing. But here there is no fencing and therefore there were many accidents and the worst accidents have been on the Longai Valley and Dullavcherra-Karimganj line. The line runs through the villages where the people are mostly uneducated and it is the people at least that need our attention. And we have to safeguard the lives also of the cattle there.

[Kumar G. R. Roy.]

I sent in a few questions as regards the fencing, etc., in the local Council. The questions were:

"(a) Are the Government aware that most of the level crossings on the Karimganj-Longai Valley branch line of the Assam Bengal Railway are not provided with any gates, chains or bars and even where there are gates there are no gate-keepers?

(b) If so, do the Government contemplate immediate action in the matter?"

The reply of the Honourable Member for Government was:

"(a) and (b) Government have no such information, but are making inquiries."

(Laughter.) Here is a book which will show how the lines are kept there.

Mr. A. A. L. Parsons: Will the Honourable Member lay it on the table?

An Honourable Member: Why not have it printed?

Kumar G. R. Roy: I do not know why I should print it. You may see it or if you like you may print it; but what I want is redress; that is all.

Mr. President: Please proceed with your remarks.

Kumar G. R. Roy: I would not have disturbed the tranquillity of the House, especially of the Honourable the Railway Member, but I could not keep reminding the authorities of the Assam Bengal Railway of their responsibility towards the travelling public. Nobody need jump up from his seat or rule me out on the ground that it is a Department which is not directly under the control of the Central Government, but here in the Budget I find a provision of Rs. 9,000 has been made to be paid as a subsidy to the Assam Bengal Railway. I do not in the least grudge my young friend the Honourable the Deputy President, who hails from some Madras constituency, the good fortune of a subsidy in the shape of a small salary but the cut is given only to put forward some local grievances and to condemn the action of the Government in giving a subsidy to a company who, the taxpayers feel, has not the courtesy of listening to their wail, not to speak of redressing their grievances. Sir, redress of grievances before supply is a well known maxim

Mr. B. Das: On a point of order, Sir. Cannot the quotation which the Honourable Member is reading out from the Assam Council be laid on the table to be included in our proceedings?

Mr. President: It is the privilege of the Honourable Member to place his full case before the House. I find his speech is very interesting. Please go on, Mr. Roy.

Kumar G. R. Roy: But, Sir, what is good for the gander is not good for the goose.

Mr. A. M. Hayman: Will the Honourable Member kindly repeat his last sentence?

Kumar G. R. Roy: What is good for the gander is not good for the goose. (Laughter.) Now, how can we be reasonably asked to grant this sum to the Railway Board if they cannot accept responsibility and see that our grievances are redressed? The Central Government will call for the tune but the Provincial Government will have to pay the

pipper. It does not matter if Nero goes on fiddling, when Rome is in fire but still like Dickens' comic character, whenever we meet the Honourable Member in charge, we shall have to whisper into his ears times without number the most uninteresting piece of information, and he will tell like the Lady of Love that "Barkis is willing", however much she may sneer at us; but Willis is barking? (Loud Laughter.) Sir, the grievances against the Assam Bengal Railway are innumerable. I say there are as many grievances against the Assam Bengal Railway as there are hairs on one's head. But the most important of all the grievances is the callousness of the Company towards the comforts of the passengers. Even if a certain thing will not cost much, they will not move in the matter to remove the inconvenience of the passengers.

Then, Sir, the lighting arrangements at Sylhet Station are almost nil, though it is a district headquarter. It was known as Sylhet Bazar before, but now it is known as Sylhet Ghat

Mr. President: May I inquire how long the Honourable Member is likely to take?

Kumar G. R. Roy: About half an hour more.

Mr. President: Half an hour more?

Kumar G. R. Roy: Yes, Sir.

The Assembly then adjourned for Lunch till Half Past Two of the Clock.

The Assembly re-assembled after Lunch at Half Past Two of the Clock, Mr. President in the Chair.

Kumar G. R. Roy: Sir, at page 81 of the Report of the Railway Board for the year 1929-30, there is an item called Flood Damages. There it says:

"Assam Bengal Railway. In June 1929 the Assam Bengal Railway was visited with about the worst floods in its history. The floods affected over 250 miles of railway, causing numerous extensive breaches in the embankments and slips on the hill section. Two bridges also were washed away. Traffic was disorganised and several sections had to be closed down for periods ranging from 5 days to nearly 2 months. The floods were also responsible for a tragic disaster on the hill section, where on the 10th June the railway bank collapsed under the weight of an engine, precipitating the latter and causing the death of the six men who were on it."

As regards these floods, you will find some interesting things in the album* I have placed on the table of the House, and you can compare the span of bridges of the Local Board roads and of the railway lines. The flood in Karimganj Sub-Division is partially due to the Karimganj-Longai Valley and Chargola Valley Railway. This railway bisects the two valleys, Longai Valley and Chargola Valley. There are two hills, one is Jugla hill, and the other is Patharkanti hill. The main water accumulations of Chargola Valley are in *bhils*, and the Longai and Patharkanti hills are beside the numerous small *bhils*, which are near Nilam Bazar and Jaffarganj

*The album was placed in the Library of the House.

Mr. President: I should like the Honourable Member to tell the House whether he thinks that the floods were due to mismanagement.

Kumar G. R. Roy: Yes, Sir. Because there were no bridges, or the spans of the bridges were not wide enough. (Laughter.) I am coming to that point. The point is that when there was no railway, the waters from Chargola Valley passed through Longai Valley, and there are only two outlets for that, one is the Kachua River, the upper part of which is known as the Sangla River, and that is the outlet for Chargola Valley, and the Longai River is the outlet for the Longai Valley. Now, over those two rivers there are railway bridges which are on the main line. The thing is that the plinth of the railway bridge has gone up higher than the water level. (*An Honourable Member:* "Should it be lower?") And the spans are not broad enough to allow the accumulations of water. It must be remembered that in Sylhet the average rainfall is something like 240 to 250 inches a year, and sometimes it so happens that for six or seven days it rains incessantly. (*An Honourable Member:* "How can the Railway Board control that?") The Railway can at least give water passages, and there is no reason why they should devastate the area by constructing railways. A glance at the album I have placed on the table will show the state of affairs. Sir, this question was also placed before the Assam Legislative Council, but the reply was that there was an enquiry committee which would enquire into the matter and prescribe the necessary relief. They said that a water gauge might be fixed to find out the water levels, and after that, the railway bridges might be widened. Now, the position is that ever since this railway has been constructed, there is seldom a year in which these two valleys have not been affected by floods.

Now, I will draw the attention of the House to the lighting arrangements of the Railway. There is no proper lighting arrangement at Sylhet Station, and passenger trains are timed to arrive there at about 12 o'clock at midnight. (*An Honourable Member:* "No lights".) Yes, no lights. And the distance from the railway station to the ghat is about two furlongs. The timings of arrival and departure of the Assam Bengal trains have been arranged with such ingenuity that you will not simply get them exactly when you need them most. Most of the trains run at such a slow speed that even a snail can outrun them. You could not have on any other railway a train halting at one station for more than two hours and then just starting on a pleasure trip only half an hour before the arrival of a would-be corresponding train, leaving behind the passengers at the mercy of the mosquitoes for the whole night. If my friend Mr. Matin Chaudhury were here he would bear me out. Any passenger who has had experience of a journey from Sylhet to Shillong via Kulaura will narrate to you his experiences. The railway staff will not allow you to remain in the train during the night. If you get a little convenience by getting into the train stealthily, they will shunt it out to a distance of one mile from the station at the expense of good Jharris coal. They will allot an eight seater intermediate class compartment for the males who always outnumber the females, for whom they are chivalrous enough to allot a 16 seater compartment. As to the comforts of seating arrangements within the compartments, the less said the better. I cannot resist the temptation of narrating a story about a Kabuliwalla's idea

in this connection. He got into an intermediate class compartment with a third class ticket.

Mr. S. C. Shahani: (Sind: Non-Muhammadan Rural): On a point of information. Is there no time limit?

Mr. President: The Rules and Standing Orders do not provide for a time limit.

Kumar G. R. Roy: Lifting the cushion of the lower berth upon the bunk, he seated himself very comfortably upon the wooden bench. When the ticket checker demanded excess fare from him, he simply asked the latter to explain to him how it could be an intermediate class compartment. The checker pointed out to him the cushions on other benches. "Oh, well" said the Kabuliwalla "if you can convert a third class into an intermediate class by simply putting cushions over the wooden benches, I can reconvert it into a third class one by removing the cushions on the bunk". (Laughter.) As to other necessities, such as drinking water, etc., there is no arrangement for them in the stations. They will squeeze as many passengers as they like into third class compartments and that also in some cases with broken doors. They are a very humorous sort of people—this Assam Bengal Railway staff. Their train will move on exactly when you expect it to stop and stop exactly when you expect it to move on. Had it been a free country, instead of our cries in the wilderness, they would have been paid back in their own coin. It would not be out of place here to cull a piece of information from the *Statesman* of the 15th of March 1929. The news dated London 11th March runs as follows:

"A dispute between the Argentine Railways and their staffs has caused many a passenger to use unparliamentary language over long delays but it has been left to passengers on a Western Railways train to show the world how the owners of slow railways should be treated says a message from Buenos Ayres. This particular train began its journey promisingly but delays at station after station became longer. Finally the train came to rest at one particular halting place and it was announced that there was no great likelihood of its moving on for quite a long time. The hopeful passengers bore the delay with unusual patience for some hours but then began to harry the few officials they could find. Receiving no satisfaction from them, their tempers rose and flocking from the train, they burned down the station and set fire to some of the carriages. And the officials, powerless against such numbers, had to watch them burn."

But we people in Assam are helots in our own country and those whom we feed with our own hands will bite us if we ask any favour howsoever insignificant. We have given them a blank cheque, Sir, and we had so long been bearing all these hardships silently. But it has now vitally affected our lives and properties by spreading railway lines all over the country. Wherever it spreads, it carries in its train the pestilence of flood and famine. I shall only cite the example of the Karimganj Longai Valley branch line. It would be better to give an idea of the locality first. The Karimganj Longai Valley Railway branch line runs parallel to two ranges of hills on both sides—Chhatachura ranges to the East and Patharkandi ranges to the West. The intervening space between these two ranges is a low narrow strip of land and there are two embankments—one the Local Board road and the other the railway embankment running parallel to each other from North to South along with those two

[Kumar G. R. Roy.]

ranges bifurcating the valley from East to West. At the proposal of the construction of this line a great hue and cry was raised by the people of the locality and at a meeting at the Karimganj dak bungalow Mr. J. C. Dawson, an ex-M. L. C. and myself led the opposition. Demands had all along been made for widening and raising of the bridges and provision of sufficient waterways. Having regard to the position of the locality we apprehended such a calamity as occurred. In the teeth of all opposition the railway line was completely opened for traffic on 1st January, 1929, and by the middle of June, 1929, the entire locality was submerged under water owing to the great flood. And before the opening, it was submerged in September, 1928, by another flood. The distance between the two junctions Karimganj and Baraigram would be 15 miles. From Baraigram the line is divided into two parts; one part runs up to Dullavcherra covering a distance of 18 miles, and the other part up to Kalkalighat covering another distance of 10 miles. It was agreed upon by the railway authorities to keep sufficient waterways on the line. They have discharged their duties by placing only a comparative statement before the Flood Enquiry Committee to show that they had provided for a greater length of waterways than what was recommended by the Assam Railway and Steamer Communication Committee at its meeting on the 10th August, 1925. The statement shows that from Karimganj to Kalkalighat the construction estimate for 742 lineal feet of waterways was increased to 859 lineal feet.

An Honourable Member: What book is it?

Kumar G. R. Roy: It is a volume of the Assam Council Proceedings.

"I have got the whole line thoroughly surveyed by my officers. There are 35 miles railway bridges from Karimganj to Kalkalighat station for 25 miles of railway line and 64 bridges between Baraigram and Dullavcherra for a railway line extending over 18 miles. Superficially there seems to be enough provision for waterways. But I have brought some photos of those bridges to show the specimen of those bridges. Out of 955 lineal feet for 34 bridges between Karimganj and Kalkalighat there are 4 bridges over 4 rivers covering an area of 786 lineal feet."

Mr. S. O. Shahani: I move that the question be now put.

Mr. President: Order, order. I hope the Honourable Member (Kumar Gopika Romon Roy) realizes that the House is getting impatient, and I would ask him to consider whether he is not yet satisfied that he has made an overwhelmingly strong case for his motion. (Laughter.) I hope the Honourable Member will be satisfied with the strength of the case he has put before the House and allow the discussion to proceed further by concluding his remarks.

Kumar G. R. Roy: I will now conclude my remarks, Sir. (Laughter.) Well, there is another thing I should like to bring to the notice of the House, that, as is mentioned in this book, the Assam Bengal Railway is going to open a new line up to Dohazari from Chittagong and a sparrow whispers that there is also in contemplation the opening of a line up to Shillong. Well, in Shillong there is one Gauhati-Shillong motor transport service, and another road is being constructed from Shillong to Sylhet. That will also be a motor road, but there are two Sub-Divisions

in Sylhet which are known as Shunamunge and Maulvi Bazaar. I think Mr. Hezlett, who is the Commissioner of our Valley, will bear me out, (Hear, hear) that they require badly that communication, but the Assam Bengal Railway authorities do not agree, because they are bent upon carrying coal to Newcastle. (Laughter.) Sir, as regards taking apprentices on that railway, no apprentice is taken who is not a resident of Assam Valley, or Assam at least, and apprentices are mostly taken from among the Anglo-Indians. Well, Sir, what I want to press is that the shares of the Assam Bengal Railway are owned by the Government up to more than about 75 per cent., but the contract of the Assam Bengal Railway expired I think the year before last year or last year. The question I should like to ask is why the State should not take up the management of that railway immediately. Then comes, Sir, the argument of paucity of funds. But we do not know when this difficulty will be removed. It has become customary with us that, whenever there is any likelihood of our having any surplus, we get some Commissioner or other to pass that again to the top-heavy administration. Sir, with these few words (Laughter), I beg to express the hope that the Honourable Sir George Rainy will be pleased to look into and remove our grievances. Sir, we have now become nobodies, or rather we are in nobody's charge, and I appeal most humbly to the Honourable Members of this House to be pleased to consider our case favourably and sympathise with us in our most miserable condition. With this prayer, I beg to move my cut. (Loud applause.)

Mr. President: The question is :

“That the Demand under the head ‘Railway Board’ (pages 1-2) be reduced by Rs. 100. (Maladministration of the ‘Assam Bengal Railway.’)”

Mr. J. Hezlett: (Assam: Nominated Official): Sir, I should like to say a few words on the speech which we have just heard from my Honourable friend, Mr. Gopika Romon Roy. I agree with him on some points but not on other points. Sir, it is a fact that the Assam Bengal Railway does not afford all those conveniences which some of the other railways of this country do. But Members of this House must remember that Assam is a new country. The railway runs through the greater part of its course, through primeval jungle. We may not have so many waiting rooms, so many refreshment rooms, such good platforms as they have in other parts of India, but I would ask the Members of this House, is there any other railway in India where you can have the excitement of the engine running down a tiger, an elephant, a rhino, a buffalo or a mithun? That might happen, Sir, on any journey through the jungles of the province. So although we have not got platforms and various other conveniences, we have some excitement in a journey by train through the province. Well, Sir, the only point in which I really agree with my Honourable friend (Laughter) is in his insisting on bringing to the notice of this House the importance of constructing, as soon as possible, a branch line from Maulvi Bazaar to Srimangal. That is a project which was sanctioned by the Railway Board, I think, but has been postponed for want of funds. It was to be completed so far as I remember in 1932. Now Maulvi Bazaar is the headquarters of the South Sylhet Sub-Division of the Sylhet district. It is a town of some importance, and the distance from Maulvi Bazaar to Srimangal, the nearest railway station, is 14 miles,

[Mr. J. Hezlett.]

and at present we have got only *cutch* road. The point I want to make is that three or four years ago the Road Board of Assam wanted to construct a metalled road between Maulvi Bazaar and the nearest railway station. But the Assam Bengal Railway authorities said, "If you build a metalled road, we will not construct this branch line". The result is that Maulvi Bazaar is in a very unfortunate position; it has not a pucca road, and the railway is not able to build a line for want of funds. I particularly want to bring this to the notice of the House and of the Honourable the Railway Member, and I hope this project will be considered as soon as funds are available and that it will be put in a very urgent list. My Honourable friend referred to the great floods of June 1929. Those were the worst floods ever known in Assam. I may say they were 10 ft. higher than in any previous known flood. Of course the line was breached in many places, and the particular line in which my friend is specially interested was very badly damaged, and I have no doubt some of his own crops were damaged by this flood. But the Flood Enquiry Committee of Assam, which sat last year, made certain recommendations about building more waterways, and I understand those recommendations are now receiving the consideration of the Assam Bengal Railway. It is again a question of funds, and as soon as funds are available
 3 P. M. the bridges will be widened and more waterways will be provided.

Now, Sir, my Honourable friend has criticised the administration of the Railway. I have travelled on the Railway now for over 25 years and I think very great improvements have been introduced in recent years. It is true we have not all the conveniences of the other railways but I think the Assam Bengal Railway Administration do their very best with the funds at their disposal to provide all the conveniences which they can for the travelling public. The Assam Bengal Railway has succeeded in opening up the province of Assam and I have no doubt that 20 years hence Assam will be one of the leading provinces in the country, and when the undeveloped lands in that province are cultivated, the Assam Bengal Railway will do very much better and will be able to afford all those conveniences which my Honourable friend says are not now in existence. I must say, Sir, that his remarks about the administration are not quite justified. The railway authorities do their best with the funds at their disposal, and he must adopt more of a pioneer spirit. The people of Assam look upon themselves as pioneers and we do not think it a very great inconvenience if we have got to jump three feet down from the train to the platform, or even climb up three feet again. My Honourable friend must adopt a little more of the pioneer spirit and look upon himself as a pioneer of the province and see that it is developed so that it may become one of the finest provinces in this country.

Mr. H. B. Fox (Assam: European): Sir, it is my great misfortune that I have to oppose the motion of my Honourable friend, The Mover. After his entertaining speech I fear that I shall be looked upon rather as a wet blanket. The Honourable the Mover has painted rather a distorted picture of the conditions on the Assam Bengal Railway, and I think Members of this House should have some information as to the other side of the picture. I can claim to have some knowledge of the Assam Bengal Railway, for I arrived in Assam before the Assam Bengal Railway was

completed. I saw the first train come up over the section about which the Honourable the Mover has spoken, and in the last 35 years I have watched, like my Honourable friend, Mr. Hezlett, the various improvements that the railway officers have effected. The Honourable the Mover spoke about the unpunctuality and the timing of the mail trains. I do not think the mail train is any less punctual than any other mail train on the Indian railways. Doubtless at times it does not run up to time, but my experience of it has been that it is extraordinarily punctual. The railway runs behind the bungalow I hired in Sylhet and I may inform Honourable Members of this House that I used to set my watch by it.

The Honourable the Mover referred to the cost of the fare from Calcutta to Karimganj being the same as the fare from Calcutta to Delhi. I do not know whether he conveyed to the Members of the House the impression that the Assam Bengal Railway was entirely responsible for that. I think Honourable Members, if they are not aware, should be told that in travelling to Karimganj, one passes over the Eastern Bengal Railway for four or five hours and then transfers to the India General Steam Navigation Company's steamer, where he travels for about eight hours and only the last five hours of the journey are over the Assam Bengal Railway system. If the fare is open to criticism it is not the Assam Bengal Railway only that is concerned.

The Honourable the Mover directed his animosity to the branch lines, particularly to the one from Karimganj to Longai and Chargola. That, Sir, is I think the newest branch line on the system. I am not sure, but I think it has only been opened about two years; and as my Honourable friend, Mr. Hezlett, has said, doubtless in time various improvements in the system will be effected and the deficiencies made good. At any rate there can be hardly any special reason for criticising the fact of the absence of fences, if, as the Honourable the Mover suggested, the trains only crawl on about five miles an hour.

My Honourable friend, Mr. Hezlett, has already referred to the floods and to the waterways on that branch line. I think it should be also realised that, previous to the railway embankment being built, there was already an embankment on the Local Board road, and the waterways provided by the Railway are very much wider than those on the Local Board road.

Sir, as I said, after spending more than 35 years in that district, I can confidently say that the officers of the Assam Bengal Railway have endeavoured, as my Honourable friend, Mr. Hezlett, said, to improve the comforts and provide an efficient railway so far as their funds permit.

Mr. B. N. Misra (Orissa Division: Non-Muhammadan): Sir, after the interesting speech of my Honourable friend, the Mover, and the appealing torrents that he poured out, I do not think it requires any speech to support him, I am sure the whole House will support the motion of my Honourable friend. My only reason for getting up is that he comes from the Eastern part of Bengal and I come from Orissa, the Western part. He has told you about the railway bridges and the floods which they have suffered from. Orissa also similarly suffers from floods. One thing my friend did not mention about the income of Assam Bengal Railway, but the railways in Orissa get a lot of money . . .

Mr. Arthur Moore (Bengal: European): Sir, is it in order to discuss the railways in Orissa on this motion?

Mr. President: No. I was considering whether he was illustrating the point, or making a new representation.

Mr. B. N. Misra: I was going to say that the railways in Orissa earn a lot of money on account of Lord Jagannath. I think most of the Hindu Members have been there, and I may inform my Muslim friends that it is the Mecca of the Hindus and they need not go beyond that. But in spite of the earnings of the Bengal Nagpur Railway, the Railway Board have not

Mr. President: I must rule the Honourable Member out of order.

Mr. B. N. Misra: Very well, Sir, I support the motion.

The Honourable Sir George Rainy: Sir, I am afraid it is impossible for me to give anything like an adequate reply to the speech of the Honourable the Mover as it will be necessary to refer to such a wide variety of topics and at the same time to deal with it exhaustively, and I am not sure that I possess the gifts of my Honourable friend in his own particular vein. Now that the House has heard not only the Honourable the Mover but also two other speakers from Assam, I think that perhaps what the two last speakers have said may have served to convince Honourable Members that perhaps the picture the Honourable the Mover painted was slightly over-coloured in certain respects. At the same time I think the House would be ungrateful to the Honourable the Mover if they did not desire that Government should pay attention to the various points he has raised and in so far as he has shown that things are not entirely as they should be to see what can be done to make an improvement. On the other hand, I must emphasise the point which has already been made by my Honourable friend, Mr. Hezlett, that this Assam Bengal Railway must still be regarded as a pioneer line. It is not by any means a line that has had big surpluses to play with, and indeed it is only in very recent years that it came upon a paying basis at all. It was not until 1912 that the net return on the capital invested was more than 1 per cent., and it was not until 12 years afterwards that the return amounted to over 2 per cent. Thereafter followed four years in which, after paying the interest on the capital invested, there was a surplus. The highest return on the capital invested was just over 4½ per cent. in 1927-28, but the year 1929-30 closed with a net loss of nearly 24 lakhs; in the current year it is 41 lakhs, and next year it is expected to be at 32½ lakhs. In these circumstances it is clear that the public cannot expect from that railway the same standard in respect of stations, in respect of comfortable rolling stock, in respect of all sorts of minor conveniences as you would rightly demand from one of the great railways of India which have been on a paying basis for a long time. I think that all Members of the House would admit that. I have here one or two notes indicating that the Assam Bengal Railway has been doing its best to effect improvements in certain matters such as refreshment rooms, waiting rooms and so on. But I do not propose to go into these details for this reason that the enthusiasm with which some of the Honourable Member's remarks were greeted from the Benches round him unfortunately prevented me from hearing clearly what he said. At the same time, as soon as we get the report of these proceedings as issued by the Assembly Department, I will certainly read his speech carefully and see what can be done. (Hear, hear.) I think one thing we might do. I do

not think any Member of the Railway Board has inspected the Assam Bengal Railway since Sir Austen Hadow did so 18 months ago, and therefore in the ordinary course I think it is likely that one of the Members of the Railway Board will be going there before long, and that would be a good opportunity to look into the various points which have been raised and to see whether anything can be done. But I must make it plain that, under existing financial circumstances, no project involving large expenditure can possibly be thought of, and that brings me to the question of the branch lines. My Honourable friend, Mr. Hezlett, drew attention to the necessity of one particular line, but on the whole question of the construction of branch lines on the Assam Bengal Railway he was preaching to the converted. It is only, I believe, by the construction of more branch lines that the Assam Bengal Railway can be permanently put on a paying basis, and therefore it is very unfortunate that our financial circumstances just now make their construction on any extensive scale quite impossible. I hope my Honourable friend, the Mover, will be satisfied that we will look into the points he has raised and see what we can do. (Applause.)

Kumar G. R. Roy: There has been a statement from an Honourable Member on this side that he has seen the Assam Bengal Railway trains running very punctually. I would challenge him and would be very pleased to show how many trains have run in time in the course of one year. Then my Honourable friend, Mr. Hezlett, has said that the line is an infant one. But the Assam Bengal Railway was constructed some time I think, in the year 1895-96, and if a man of 36 be yet considered a minor, then I do not know when he will attain the majority. He says also that I am not justified in accusing that railway of being the pet line of maladministration. I would beg of Mr. Hezlett to say whether it is a fact or not that a man was cut up by a running train near Moglabazar Station?

Mr. J. Hezlett: It is quite true; but the man was sleeping on the railway line. The railway people cannot do anything if a man goes to sleep on the line.

Kumar G. R. Roy: This shows that the fencing is required most badly there. Moreover the line passes through a place where the inhabitants have no idea of the danger of being run over by a train.

Mr. J. Hezlett: But the fencing will not stop such accidents.

Kumar G. R. Roy: But are there guards near the level crossings? Is there a guard at the Kayasthagram level crossing? Is there a guard at any of the railway level crossings? Does anyone care to look into that? As regards the losses, the Honourable the Railway Member has spoken of the very high losses. But has it been brought to the notice of the Honourable the Railway Member that a theft of railway money amounting to rupees one lakh was perpetrated on the Assam Bengal Railway and it was detected long after it was perpetrated? If lakhs and lakhs are stolen, are taken away from every side, what does he mean by speaking of the losses? The supposition goes otherwise. However, in view of the promise and the assurance of the Honourable the Railway Member—and I hope his assurance will bring some good to the unfortunate, poor and helpless people who are residing in my constituency,—and if it bears any fruit no one will be more thankful to him than myself—in view of his assurance, Sir, and with the permission of the House and with your permission, I beg to withdraw the motion.

The motion was, by leave of the Assembly, withdrawn.

Railway Board's Educational Policy with reference to pay of Railway Middle School Teachers in the United Provinces.

Mr. C. S. Ranga Iyer: I move, Sir:

"That the Demand under the head 'Railway Board' be reduced by Rs. 100."

When I put a question the other day I understood the Honourable Mr. Parsons to say that he was going to raise the salary of these Middle School teachers to that of the Government Middle Schools in the United Provinces. He said also, I think, that he was going to do it with retrospective effect. As I have not got a copy of the question, I only want him to say yes or no to my question before I withdraw my motion.

Mr. A. A. L. Parsons: Sir, what we are doing is to discover what rates of pay are given by the United Provinces Government to these English Middle School teachers, and we propose to give those rates with back effect from the 1st April, 1929, to those of our teachers who are similarly qualified.

Mr. C. S. Ranga Iyer: Sir, I have already thanked the Honourable Member for that reply; but I would suggest, before withdrawing my motion, that whenever an Honourable Member puts a question from this side, the practice prevailing in the Provincial Councils should be introduced here also and that replies that are given by the Government should also be sent at least to the Member who puts the questions. In the Provincial Councils the custom is that the replies to questions are placed, I believe, in the seats of Honourable Members. I am not insisting on that, but I do insist on this, that as soon as a reply is given, it should be communicated at least in the evening; just as his speeches are sent, the answers also should be sent to the residence of Honourable Members. I quite caught what the Honourable Member said, but I only wanted to utilise this opportunity to bring forward this suggestion, because I have not yet got the reply; I know that if I had asked for it I would have got it, but I want to introduce the custom in this House and I hope the Government and the Honourable the Leader of the House will agree to introduce this really good innovation in this House.

The Honourable Sir George Rainy: I do not think, Sir, I can possibly deal with that point offhand like this. It is a matter which requires consideration.

Mr. President: You wish to withdraw your motion?

Mr. C. S. Ranga Iyer: Yes, Sir

Mr. President: Is it the pleasure of the House to allow the Honourable Member to withdraw his motion?

The motion was, by leave of the Assembly, withdrawn.

Inadequate facilities for Training of Indian Students in Railway Workshops.

Mr. Bhuput Sing (Bihar and Orissa: Landholders): Sir, I beg to move:

"That the Demand under the head 'Railway Board' be reduced by Rs. 100."

My purpose in moving this cut is to bring to the notice of the Railway Board pointedly the fact that adequate facilities are not afforded to our

Indian students (in this term I do not include Anglo-Indians) of recognised colleges and technical institutions to receive their practical training in the railway workshops under the management of the State. Year in and year out the mechanical and electrical degree students of the Benares Engineering College in particular have to knock their heads against the doors of big railway workshops for getting their practical training, either as University improvers or as paid or unpaid apprentices after passing out. In some special cases, I admit, the small and unimportant railway workshops are from time to time thrown open to them, but what I complain of is that the big workshops on the East Indian Railway, Eastern Bengal Railway, North Western Railway, and Great Indian Peninsula Railway, are entirely closed to them for reasons best known to the Railway Board. How can the Railway Board expect to Indianise their engineering department, especially the mechanical, electrical and transportation sides of it, unless and until they throw open their premier workshops to that class of students, who are already fairly equipped and qualified through their high standard of theory and practice courses, to undergo the desired-for further practical training that they can have only in those workshops? I know the railways take a lot of their own apprentices and train them in their own institutions for the lower subordinate departments of the different branches of engineering at Jamalpur, East Indian Railway, Kanchrapara, Eastern Bengal Railway, Mogalpur, North Western Railway, Jhansi, Great Indian Peninsula Railway, and Lillooah, East Indian Railway, but the mental and educational outfit of that lot of students is such that they can never expect to turn out efficient officers, although they prove to be excellent artisans, machinists and mechanics. But the class of students that come from Benares and the like technical institutions, by reason of their high and systematic academic theory and practice, promise to rise to the level of officers, if proper opportunities are afforded to them to pick up the practical branches of their individual special training. I feel sure that if the Railway Board will so choose, they will find congenial materials in the products of our colleges and institutions for training officers for their locomotive engineering, wagon examination, and the like. Then, Sir, our Indian students can very well claim by their birthright admission into the premier workshops of their home railways, because they are the sons of Indian tax-payers, whose money has been employed to buy the lands for the railways, and whose money has fed the railways in the early days of their growth and development. So what I claim is nothing but bare justice for our students. It means no financial outlay, and our students are willing to subject themselves to all workshop rules. The Railway Board may continue and multiply their own technical institutions and increase the number of their own apprentices. I shall be only too delighted to see that, but what I want them to do is that they should afford every opportunity to the students that go to them for practical training in their big workshops from our recognised colleges and technical institutions that are scattered all over Northern India at present. In meeting my wishes, the Railway Board will directly advance the Indianisation scheme of the Services and indirectly be able to cut down their working expenses by gradual Indianisation. With these words, I beg to move my cut.

Mr. A. M. Hayman (Government of India: Nominated Official): Sir, I think the Honourable Member wanted to make two points when speaking on this motion. His first point was that the Railway Administrations

[Mr. A. M. Hayman.]

should provide adequate facilities and make satisfactory arrangements for training a sufficient number of Indians in workshop practice so that in course of time we should be able to have in our workshops qualified Indians to fill what may be regarded as the upper subordinate posts in our workshops such as Chargemen, Assistant Foremen and Foremen, and also that in course of time we should have to obtain qualified men from the lower ranks who could be promoted to the superior services; and further that we should take on now in adequate numbers a sufficient number of Indians by direct recruitment to man our superior services in our mechanical and engineering departments. I think that my Honourable friend's second point was a special appeal that something should be done to promote the interests of the students of the Benares College.

Taking the first point, Sir, I want to say that we have done a great deal in the last five or six years to get qualified Indians for the superior branches of our Mechanical, Engineering and Transportation Power Services. We have a special scheme under which we have been training apprentices for the last five years in one of our biggest workshops, the Jamalpur Workshops, and at the present moment we are sending out four or five of the trained apprentices to complete their training in England, and year by year we shall be sending out something like 10 to 12 of these apprentices to complete their training. The scheme for the training of these apprentices is that we take in twice the number that we estimate we shall actually require for our State-managed railways. That number at the present moment is 12. Our aim is that if the whole 12 go through the whole course and qualify as mechanical engineers to employ about half of them ourselves, and we shall do our best to get the Company-managed railways to take a part of the remainder. But, Sir, we have in addition as the House knows, in the interval before the first batch of apprentices are available, tried to obtain qualified mechanical engineers of Indian domicile for our superior services by advertisement. We took in seven last year and I hope we shall be able to get a somewhat similar number this year.

Then, Sir, the Company-managed railways too have been examining independently this question of training young Indians to qualify for post in the superior services of the Mechanical Department, and I had the pleasure last year of informing the House that the Bengal Nagpur Railway, having trained two or three Indians, proposed to make appointment of some of them to the superior services. Two, I believe, Sir, have already been appointed.

I pass on, Sir, to deal with the training of apprentices for the upper subordinate posts. I will at once admit here that my own examination of the position two or three years ago, and I should say the very critical questions put by my friend, Mr. Mitra, led me to the conclusion that the arrangements were not quite satisfactory from the point of view of getting in a sufficient number of Indians to fill these posts. We then arranged to have the whole system completely overhauled, and we drew up a complete set of new rules which entirely eliminated racial discrimination. These rules were to apply from the year 1931. I have taken care to ascertain from the Agents of each of our State-managed railways that full effect will be given to those rules beginning from 1931, and here I might mention that these rules were placed before the Central Advisory Council for Railways and approved by them. But, Sir, we did not stop with out

State-managed railways. We sent these rules to each of the Company-managed railways and asked them to see whether they could not follow those rules or adopt something similar which would bring about the same results which we wish to bring about on our State-managed railways.

Mr. S. O. Mitra (Chittagong and Rajshahi Divisions: Non-Muhammadan Rural): What about the Bengal Nagpur Railway?

Mr. A. M. Hayman: I will come to that presently. We have followed that question up, that is the question as to what the Company-managed railways have done in this matter. We have been able to obtain the assurance from every Company-managed railway in India, except the Bengal Nagpur Railway, that the system in force on each of those railways now is that in the matter of recruitment for trade apprentices and mechanical apprentices, and in the matter of the rates of pay that are given to these apprentices after they complete their apprenticeship and are given appointments, there is no racial discrimination whatsoever.

In regard to the Bengal Nagpur Railway, the Railway Board are still in correspondence with the Agent of that line on the subject. I can quite understand my friend, Mr. Mitra, who has paid very considerable attention to this railway—he has kept me up for many days and many nights too in answering his questions about this subject—would like to know how soon the Bengal Nagpur Railway is going to follow the example of the other Company lines. Well, Sir, all I can tell him is that the Agent of the Railway is sympathetic in the matter, but he has certain difficulties which have yet to be overcome, and I can also tell my Honourable friend that I shall do my best to influence and assist the Agent to come into line with the other Company-managed railways as quickly as possible. (Applause from the Nationalist Benches.)

Now, Sir, we even have given attention to the lowest rung of the ladder, that is to say, the training of those workmen who learn to be semi-skilled workmen and do not rise up very high in their profession. Here also we have not left things to chance. We have overhauled the whole system on our State-managed railways, and we have drawn up revised rules in order that young Indians, who are semi-illiterate, may come into our workshops and learn particular trades and be able in course of time to earn a fair wage.

I pass on now, Sir, to deal rather more specifically with the observations made by my friend when he really pleaded that more adequate arrangements should be made, or more facilities should be granted, so that a greater number of students from colleges, and particularly the Benares College, might get practical experience in railway workshops. Now, I want to acquaint the House, Sir, with this fact that in addition to the direct methods which we employ in order to meet our own requirements i.e., to get qualified Indians for the several grades in our workshops, there are special arrangements in force on some of the more important Railway Administrations for giving facilities for practical training to students of engineering colleges in railway workshops.

(At this stage Mr. President vacated the Chair which was taken by Mr. Deputy President.)

[Mr. A. M. Hayman.].

I got out this information, Sir, rather rapidly in order to answer my Honourable friend, and I hope the House will excuse me if I read out the details; because I am sure he wants to know the exact details.

The Great Indian Peninsula Railway, since 1923, actually has accepted students of mechanical engineering for training on the following terms:

- (1) Payment in advance to the railway of a premium of Rs. 300 per annum. (The Railway Board thought this charge was too high, and have reduced it to Rs. 100 per annum); (2) No payment from the Railway to the students; (3) Students to conform to all railway rules and regulations; (4) No obligation on the railway to offer employment at the end of the period of training.

Up to November, 1928, Sir, 21 students have passed through on those terms on the Great Indian Peninsula Railway. They came from the different colleges as follows:—

The Victoria Jubilee Technical Institute, Bombay	12
Engineering College, Benares	1
Engineering College, Bangalore	3
Indian Institute of Science, Bangalore	2
College of Engineering, Madras	2
Parody House, London	1

The Bombay, Baroda and Central India Railway, a Company-managed railway, follows a somewhat similar system, but I have not been able to get figures showing how many students have passed through the workshops of that railway. The students of the MacLagan Engineering College receive practical training in the North Western Railway Workshops. The students of the Benares Engineering College are also taken for training in the mechanical and electrical workshops of the North Western Railway. As regards the East Indian Railway, we should be happy to take some of the students of the Benares College at Jamalpur, but for the fact that at the present moment we are cramped for accommodation. We train our special grade apprentices required for our superior grades in the Jamalpur Workshops also other apprentices, and this, Sir, has made it impossible for us to take students from the Benares College into that workshop. After all, there is a limit to the number of apprentices that you can take into a workshop and give good practical training to. On the Eastern Bengal Railway there is an arrangement between that Railway and the Bengal Government for the practical training of students in mechanical engineering at Kanchrapara. There we get students of the Benares Engineering College and from, I think, the Sibpur College also.

I think I have shown to the House that we do everything that is possible in the matter of encouraging young Indians to go in for workshop training in all the different grades. It won't be very long before, I think, not only our State-managed railways but also our Company-managed railways will obtain Indian recruits to the mechanical engineering superior services up to the full 75 per cent. of vacancies and without the entire elimination of racial discrimination in the matter of recruitment to the subordinate class appointments, I am sure that the time is not far distant when we shall have young Indians working in our workshops in responsible charge of a large number of workmen, in the important posts of Assistant Foreman and Foreman.

I hope, Sir, that the reply I have made will satisfy the Honourable Member that Government are doing all they can to promote the interests of Indians in this important matter.

Mr. Bhuput Sing: In view of the reply given by the Honourable Member, I beg leave to withdraw the motion.

The motion was, by leave of the Assembly, withdrawn.

Policy of Central Publicity Department

Mr. Bhuput Sing: Sir, I beg to move:

"That the Demand under the head 'Railway Board' be reduced by Rs. 100."

Sir, the policy of the Central Publicity Bureau of the Railway Board is what I want to assail by this cut. I cannot see eye to eye with the Railway Board as to the utility of having publicity centres for the Indian railways in such far-off places as London and New York. To my mind the money that is being spent there for our railway publicity is an absolute waste. So long as India is India, she will have all the charms that she has been credited with from times immemorial and that have always attracted streams of travellers from all parts of the globe to her shores. To advertise abroad the country that is the home of the Vedas, the Upanishads and the Puranas, the Mahabharata, and the Ramayana, and which is the birth-place of Buddha, Sankaracharya, Ramanuja, Ramanada, Nanak, Chaitanya, Ramakrishna, and a host of similar others, and to which the whole world is at the present moment looking forward reverently for that great apostle of peace and non-violence of the modern age—I mean Mahatma Gandhi—is not only a waste of India's money, but is also a disgrace to her fair name. The Indian Publicity scheme abroad can never be an effective educative propaganda nor can it be a profitable commercial proposition as the idea itself is too far-fetched. The scheme serves evidently as an outlet for employment abroad on fat salaries of ex-railway officials of India after retirement from this country at the expense of India. I shall now read out to you from a statement that was given in answer to my question on the subject printed at page 721 of the Legislative Assembly Debates of the 11th February current to show what I mean.

Statement showing the names and qualifications of Publicity Officers at London and New York and particulars of their emoluments and tenure of service.

Names of Railway Publicity Officers at		Qualifications.	Particulars about pay, emoluments and tenure of service.
London.	New York.		
Stowell, A. T., C.I.E., V. D.	Biscoe, W. T.	<p><i>Mr. A. T. Stowell.</i>—He was Chief Operating Superintendent, North Western Railway, and officiated as Agent of that Railway, before retirement in May, 1928. Now holding the post of Manager, London Publicity Bureau.</p>	<p><i>Mr. Stowell.</i>—£800 per annum. His services are terminable at one month's notice on either side.</p>
Dawson, G. W.	....	<p><i>Mr. G. W. Dawson.</i>—He was Publicity Superintendent on the Great Indian Peninsula Railway and was transferred to the Central Publicity Bureau and appointed as Assistant Chief Publicity Officer, Indian State Railways, in 1927. He officiated as Chief Publicity Officer, Indian State Railways, for about 7 months and is now holding the post of Assistant Manager London Publicity Bureau.</p>	<p><i>Mr. Dawson.</i>—£500 per annum. For a period of 2 years with effect from the 1st January, 1931.</p>
Khan, F. M.	....	<p><i>Mr. F. M. Khan.</i>—He was an Assistant Traffic Officer on the North Western Railway and was transferred to the Central Publicity Bureau in January, 1929, and appointed as Assistant Chief Publicity Officer, Indian State Railways, now holding the post of Assistant Manager, London Publicity Bureau.</p>	<p><i>Mr. F. M. Khan.</i>—Rs. 1,000 per mensem plus Rs. 250 per mensem as special pay. For a period of one year with effect from the 17th May, 1930.</p>
		<p><i>Mr. W. T. Biscoe.</i>—He was District Traffic Superintendent on the North Western Railway and officiated as Deputy Chief Operating Superintendent of that Railway in 1928. Now holding the post of Resident Manager, New York Publicity Bureau.</p>	<p><i>Mr. W. T. Biscoe.</i>—£1,400 per annum plus £300 as Local allowance plus £250 as Supplementary allowance. Total £1,950 per annum. For a period of three years with effect from the 15th November, 1930.</p>

Again, if Honourable Members will closely peruse the several questions that I put on the Central Publicity Bureau as well as the answers that have been vouched to me therefor, they will find that there is no concealment of the fact that lakhs and lakhs are annually spent on the *Indian State Railway Magazine*, the main purpose of which is to push on foreign goods and manufactures in India. There is the All-India Railway Time-Table, which also managed to swallow up a lot, but which is to be shortly discontinued because it could not pay its own way, although from its very existence it found favour with none in this country. Then the Central Publicity Bureau is in the habit of buying the most ordinary sketches and drawings prepared by European artists at fancy prices. Let me read out to you some of the items from the answers given to my questions. With reference to the reply to question No. 89 in the further information sent to me by Mr. Parsons, in 1928-29 they paid Rs. 310 for the sketches drawn by Miss Newsome and Miss Nixon. In 1929-30, £70 was paid for sketches for revised big game shooting pamphlets cover design, illustrations and insets, Rs. 450 for Pilgrim poster, and Rs. 450 for Fatehpur-Sikri poster. The following are some other details:

	Rs.
Ellora by W. S. Bagdatopolus	1,120
Budh Gaya by W. S. Bagdatopolus	1,120
Howrah Bridge by W. S. Bagdatopolus	1,120
Khyber Pass by W. S. Bagdatopolus	1,120
Udaipur by W. S. Bagdatopolus	1,120
Benares by W. S. Bagdatopolus	1,120

There are several other small items for Rs. 216. For Amritsar Golden Temple they paid Rs. 666-11-0; for Benares Rs. 1,333-5-0; for Street by Moon Light Rs. 466-11-0. All these are by European artists. For pig-sticking they paid Rs. 1,000-0-0; for four poster designs Indo-Persian, Rs. 2,193-5-0; for Elephant by the Canadian Pacific Railway Rs. 450-0-0; for Delhi by the same Railway Rs. 450-0-0; Elephant by Tom Purvis Rs. 1,400-0-0; for Snake Charmer by Tom Purvis Rs. 1,000-0-0; for Taj Mahal by Gawthorn Rs. 400-0-0; for Palms and Temples of the South by Frank Newbould Rs. 566-0-0; Burma by Martin Jones Rs. 300-0-0; Pilgrim Poster by Miss Newsome Rs. 450-0-0; Fatehpur-Sikri by the same lady Rs. 450-0-0; Hardwar by Gauri Shankar Rs. 100-0-0. The last item was paid only Rs. 100 because he was an Indian. Simla by Bevan Petman Rs. 706-0-0; Fatehpur Sikri by Donald Cameron Rs. 300-0-0; Fatehpur Sikri by Leonard Cusden £31-10-0; Darjeeling by Miss Heanly Rs. 250; Darjeeling by P. Samadar only Rs. 100, again because he was an Indian.

In addition to the Chief Publicity Officer, there are four assistants with a very big establishment. Then, again, there is a Sports Officer attached to the office whose business is to go about the length and breadth of Northern India arranging for occasional hockey matches and boxing tournaments, and drawing fat allowances from the Indian taxpayer's money, as if the fixtures could not be done by postal correspondence from headquarters. The Publicity Department is also somewhat of a mutual benefit society. I have elicited, in reply to a question of mine, that one Mr. Veervers, who is getting a monthly salary of Rs. 650 from the Central Publicity Bureau and whose duties consist in making drawings and sketches for the Department, earned about Rs. 1,200 for supplying drawings of Darjeeling,

[Mr. Bhuput Sing.]

Shillong, Naini Tal, Dakore, and Mount Abu to his own Department, having produced them, as is alleged, during his spare time. Again another railway official, Mr. Martin Jones, who is a Deputy Traffic Manager on the Burma Railways was paid Rs. 300 for a poster for his railway. This is not all. Mr. Veevers was also made to win one of the prizes offered by the Central Publicity Bureau at the Simla Fine Arts Exhibition. Now one who runs may read what all this means. The publicity work, as is carried on at present inside the country, affords one the impression that it is done more with a view to benefit some particular groups of presses and particular groups of artists to the exclusion of indigenous printing presses and artists. There is nothing in the publicity propaganda that either appeals to popular imagination or can put the railways in touch with the masses. But the whole publicity scheme means for us 25 to 30 lakhs a year. I wonder whether such a big expenditure of money on such schemes as cannot be well defended will find countenance in the House. Sir, I move.

Mr. A. A. L. Parsons: Sir, from the speech of the Honourable Member and certain remarks which were made during the course of the general discussion, I do not think the activities of what is called the Publicity Department on railways are fully known and I propose, as briefly as possible, to explain exactly what our Publicity Department consists of. It may be said to consist of two parts. The first part is the Publicity Departments on individual railways, and these have not, I think, attracted as much attention as the Central Publicity Department, which is a fairly recent innovation. Now, publicity officers on the railways carry out a good many duties which can hardly be considered to come strictly under the head of publicity or advertising, such duties for instance as the editing and printing of the local supplements to the Indian Railway Magazine. Those local supplements are for the benefit of the staff on Indian railways. They give news of postings, various items of local and social interest and so on. That really comes more or less under the heading of staff work. These local Publicity Departments also arrange for special trains, when required, say, by people who are going away for marriages, or to fairs, *melas*, and so on. They arrange the advertisement of concessions given by railways in newspapers. They procure advertisements for the railway stations. They control the book stalls at stations; and in addition to these and other duties, they do a certain amount of what can be described as real publicity work. All that work comes under railways' Publicity Departments, and I mention that because I am sure Honourable Members will agree with me that most of that work must in any case continue to be done, irrespective of what we do with regard to what is really publicity. Now, of the expenditure which we incur on Indian railways at present in the Publicity Department, over half is incurred by these local Departments. The figures for instance for next year are Rs. 5,85,000 for the Central Publicity Office, and Rs. 7,35,000 for these local Departments who, as I say, do a lot of work which must in any case continue to be done, whatever decision the Government or the House may take as to the continuance of the Central Publicity Department.

Now, with regard to the Central Publicity Department, I would like to give to the House, to start with, a few figures. Last year, we spent approximately, I think, eight lakhs on the Central Publicity Department, which represents something like one tenth of one per cent. of our gross

receipts. It is not easy for me to compare that expenditure with the expenditure incurred by railways in other countries, because ordinarily they do not show their figures for publicity separately. But the General Manager of the London and North Eastern Railway recently stated that his Company spent a thousand pounds a day on advertising, and it was mainly spent on the development of passenger traffic, and represented approximately $2\frac{1}{2}$ per cent. of their receipts. Again I cannot quote exact figures for the American Railways, but I understand that the American railways, which, as everybody knows, are very up to date in a matter of this kind, spend a considerably larger proportion of their gross receipts on advertising or publicity work than the English railways do. I can give some figures for other countries to Honourable Members. I believe the French Government in 1930 provided a sum of £240,000 for what they call "tourism". That is exactly the work our Central Publicity Bureau does. It attempts to encourage tourist and other traffic. The German Government is spending £800,000 annually to attract tourists. South Africa gave an initial grant of £25,000 in 1914. Though these are all that I have been able to collect in the way of figures for other countries, they go to prove that at present on the Indian railways, we are spending very much less on our advertising campaign than the railways in all other principal countries of the world. It will then be asked—are we getting any results for this expenditure? Again it is not very easy to give exact figures, as in India we do not keep, as some other countries do, exact figures of the persons who enter through the ports. Nor can the railways themselves compile the figures. You cannot expect the booking clerk, when a man comes to Victoria Terminus and buys a ticket, to ask him "Are you a tourist? Where do you come from." On the other hand we have got some figures which will show the trend of tourist traffic since we took up this publicity work in real earnest about three years ago. We were able to get figures

4 P.M. from the police authorities at Karachi, Bombay, Calcutta and Madras. They showed that, for instance, in the six months ending the 31st March 1928, 1,774 Americans came to this country through those ports, and in the six months ending the 31st March 1930, 2,875 Americans—an increase of over a thousand. The increase of other nationalities was not so striking, but there was an increase. Well, so far as we are able to judge from indications of that kind, and from the demand for our tourist cars and special trains, our activities in England and latterly in New York are producing good results.

I will now turn in somewhat greater detail to the work that is done by this Central Publicity Bureau. The Honourable the Mover appeared to consider that it exists entirely to pay certain officers for posters that were of no practical use to us. As a matter of fact I can assure him that they are ready to take posters which are really likely to be attraction from any one offering them: and if Indian artists will only come forward with attractive designs they will certainly be considered, and if they are good designs they will stand a very good chance of acceptance. The real difficulty there, if the Honourable Member will excuse my saying so, is the want of knowledge of this particular art. There are not very many people who are able to produce an effective poster.

Now the Honourable Member also mentioned the *Indian Railway Magazine*. I expect most Honourable Members have seen that magazine, and I hope they will agree with me that it is a well printed and readable

[Mr. A. A. L. Parsons.]

paper. That magazine has so far always paid its way. I have not got the latest figures, but when last I looked into them it was costing about Rs. 1-8-0 a copy to produce the magazine and we sell it as Honourable Members know for Re. 1 a copy. But its large sale in many parts of the world makes it an attractive medium of advertisement and our advertisement revenue has been so big that hitherto we have always made a profit from the magazine. Of the total expenditure in the Budget of Rs. 5,85,000, Rs. 1,75,000 are for the magazine. We expect to get receipts of Rs. 2 lakhs. The Honourable Member appeared to disapprove of the fact that a good many of the advertisements appearing in the magazine are advertisements of foreign manufacturing firms. I am afraid I cannot myself consider that advertisement revenue from that or any other source is a thing upon which a publicity office should do anything but congratulate itself.

I will now refer to what we are actually doing next year. Now I have given the reasons why I consider it desirable that the Indian railways should continue, and even, when the opportunity is good, expand, their advertising activities; but we are not actually asking the House for as much money next year as we have spent in previous years or even are spending this year. That is not because when times are bad we should necessarily reduce our advertising. It is because the other countries from whom we might expect to get tourists to come to this country and spend money in this country are themselves in a slough of depression. It is therefore unlikely that many of their inhabitants will be able to afford the expense necessary for a visit to India, and it is therefore a bad time for us to embark on an intensive advertising campaign. For this reason though we provided in this year's budget for spending Rs. 1,96,000 on advertising, when we found that things were going badly in other countries, we reduced that amount and we now expect to spend only Rs. 1,20,000; and anticipating that the same conditions will remain probably during most of next year, we are only proposing to spend Rs. 70,000 in 1931-32. That is the chief item which is susceptible of reduction. The other items are mostly for things which can hardly be altered without considerable notice, for instance, rents. And some of the expenditure is really inevitable. Take our office in London. One of the officers mentioned by my Honourable friend is required for the High Commissioner's office, because at that office there are numerous inquiries from business men in London who wish either to buy goods from India or to send goods to India and want to know what the railway freight will be. Therefore we have got to provide at that office a man with knowledge of freight rates.

That, I think, Sir, is all I have to say on this motion. I do put it to the House that it is desirable that we should follow the practice of advertising the advantages of travelling in India, as other countries do, and that on the whole it is better that we should do it ourselves rather than leave it entirely in the hands of tourist agencies who, however much they may help us,—and they are of much assistance to us—have no particular interest in getting their clients to come to India rather than to other countries. I am myself convinced that by a proper advertising campaign, such as that which we hope to see carried out by this Central 'Publicity Office, we shall add not only to the revenues of the Indian railways but also to the wealth of this country.

Mr. S. C. Shahani: Sir, I find that large sums of money are being wasted on the Publicity Department. In the estimated expenditure on the Railway Administration Rs. 13,50,000 have been provided for the Publicity Department, and when I look at pages 55 and 56 of the Demands I find that Rs. 5,85,000 are to be spent on the Central Publicity Bureau. When these 5 lakhs and 85 thousand are to be spent on the Central Publicity Bureau, it appears to me that it is altogether unnecessary for the different railways to spend 13 lakhs and 50 thousand. As was pointed out by me on the occasion of the general discussion, and as has been pointed out today by my Honourable friend Mr. Bhuput Singh, even this amount of 5 lakhs and 85 thousand is to a very large extent misspent. Sports officers are provided for arranging hockey matches, and pictures by European artists are purchased at a very large cost. I have been pressed from all sides to make inquiries as to what the original pay of those that belong to the Central Publicity Bureau was, and I should be obliged if some idea is given to me and to the other Honourable Members of this House as to what the present salaries of the Publicity Officers are, and what they originally were, that is to say, before they joined the Publicity Bureau. I have been hesitating if I should mention it, but I think in the interest of railway management, I should not hesitate to state that, according to my information, some, or one at any rate, who represented himself to be a D. Lit. of an English University was found to be anything but a Doctor of Literature, and on that account he had to resign his post. But he found it very easy to secure a very fat job in the Central Publicity Bureau. This information would probably be helpful in the case of a man like me to form my opinion with regard to the management of Indian Railways.

Mr. E. Studd (Bengal: European): Sir, I found the Honourable the Mover a little difficult to hear and therefore I am not quite sure whether I heard all his arguments correctly. But from a business point of view, I am most certainly strongly in favour of publicity and of advertising. I will go further and say that when times are bad and receipts begin to drop, that is very often just the time not to cut down your advertising but to increase it; and I do not think there can really be any two opinions as to the value of publicity, rightly used, if one considers the extent to which it is made use of not only by the railways in the United Kingdom and in the United States specially perhaps, but also by all kinds of big business concerns. Whatever the Members of the Opposition may say or suggest about the management, the honesty, integrity and ability of the Railway Board, I do not think they will dispute the fact that many, if not all, of these big concerns in England and in the United States are run by hard-headed business men who are out to make the biggest profits possible; and they certainly would not spend very large sums on advertising if they were not quite convinced that they were going to get a very good return for their money. The Honourable the Mover I think suggested that advertising abroad was of no use to the Indian railways. Well, Sir, I am disposed to dispute that point. Perhaps he has not seen quite as much as I have of the floods of American tourists which at certain periods of the year almost overrun Calcutta; and I have no doubt Bombay and other places too. And even in the hotels of Delhi there have been times when one has felt that they are hardly fit places to live in, because one

[Mr. E. Studd.]

cannot move for the crowds of American tourists that fill the public rooms. I cannot help thinking that these crowds, which certainly to my knowledge have increased considerably in the last two or three years, are to some extent at any rate due to the publicity and the advertising of the Railway Board in the United States.

Now, Sir, the Honourable the Mover and my Honourable friend Mr. Shahani both commented on the salaries which are drawn by the various officers in the Publicity Department. Now, I happen to know a little of the figures that efficient publicity officers can command in the way of salaries in England, and compared with those standards I think the figures that have been given of salaries for these officers are very moderate. Mr. Shahani was very anxious to know what the original pay of these officers was as compared with the pay that they are getting now. But I am not sure that that is altogether a fair comparison. For, after all, if a man is found to be particularly expert in a particular job, I see no reason why he should have to take up that new job and continue to draw only the same pay that he was getting before he was discovered to be an expert.

Another point which they raised is with regard to the cost of posters. There again I do happen to know something of the large prices that are paid by railways in the United Kingdom for any poster which they think is particularly appropriate to their needs. And, as the Honourable Mr. Parsons said, the man who can design a really attractive advertisement poster is not a man who is easily found. I know there are tremendous prices paid in England for a poster which readily catches the eye for advertisement purposes, and here again it seems to me that the prices which have actually been paid in this case are very moderate. Now, Sir, I know it is one thing to theorise, and I think that perhaps a little practical experience may go some way towards convicting the House. I happen to know of a case in England of a tourist agency which for a year or two had been rather feeling the pinch and were not getting the turnover that they hoped. A courageous man in that agency decided that they would go in for a really bold policy of advertising, and I think I am right in saying that he decided in the first year to spend £25,000 on advertising. He did it with a certain amount of trepidation and felt that perhaps he was a little too bold; but the programme was carried through; and with what result? The result was that they were so flooded with replies to their advertisements that they had to double their staff. They had them all working overtime and eventually had to double their office accommodation as well. And the net results that they got from it were equally satisfactory. In spite of the fact that a large portion of their business was on the Continent, and that just about the beginning of the tourist season, as Honourable Members will no doubt remember, the French Government brought in special regulations about vaccination, in spite of all that heavy handicap they had one of the biggest years that they had ever had. That was two or three years ago. They have carried on that policy since, with the result that now they are making still bigger records while their rivals, who did not advertise in that way, are in very low water, if not almost on the rocks. The man who was bold enough to carry out this big advertisement campaign, has reached such a flourishing position as he was never in before. That, Sir, I think, is a pretty strong

argument for publicity and advertisement. My own feeling with regard to the Publicity Demand in the Railway Budget is that it is extraordinarily small. Personally I should be much more inclined to increase the expenditure under that head rather than to reduce it, and I am perfectly certain that the result would be more than justified by the returns which it would bring in, though, as the Honourable Mr. Parsons has said, it is not easy to put down those results in actual figures of hard cash. Sir, I, therefore, oppose the motion. (Applause.)

Mr. S. G. Jog (Berar Representative): I am up on my legs after a very, very long time and it was a long break. In fact, I did not want to interest myself in this railway affair, because I think the facts and figures are very suffocating to me. Another reason is that I have given notice of a small cut, which is No. 69 in the list of motions, and I have no hope whatsoever of that cut coming up for debate at all. As regards the proposed cut by my Honourable friend, Mr. Bhuput Sing, regarding the Central Publicity Department, I entirely am in agreement with the observations made by him and by other speakers. I am also in agreement with the suggestions made by my Honourable friend, Mr. Shahani. Sir, the word "economy" seems to be quite strange to the Railway Department. I think it is a word which is not to be found in the vocabulary of the railways. It is not my impression only. The Railway Department has been a spoilt child from the very beginning. This was the observation made about 25 years ago by a very eminent man, who was a Member of the old Imperial Council, the Honourable Mr. G. K. Gokhale, who was held in very high respect in this House and who was respected everywhere. I will read a passage from what he said in those days, about 25 years ago, and you will find that, even after the experience of 25 years, there is absolutely no change in the Railway Administration or in the mentality of the railway people. I will read for your information what was said about 25 years ago. He said:

"Economy came to be a despised word and increased establishments and revised scales of pay and pensions for European officials became the order of the day. Further an uncontrolled growth of expenditure in all directions in the name of increased efficiency was not checked and the legacy must now remain with us."

The Government did not take any notice of this, and the results in the form of deficits are before us today. I think now there is a deliberate attempt on the part of the Railway Administration to swell up the expenses, and probably to make it difficult for the future administration. As soon as we begin to think of railways, the idea comes before us that the railways mean extravagance, corruption, mismanagement and favouritism. These four items are all different and there are experts in inventing schemes by which all these things can be done. Every time they are busy with inventing a new scheme whereby favouritism can be promoted. In these years of financial stringency, when it is difficult to find money, when even the Commerce Member is not prepared to retrench, I do not know how he is going to find money for carrying on the expenses. For retrenchment, they are not prepared. They want this Publicity Department also and they want to have all sorts of these fancies and luxuries in these times. In this way I think it will be very difficult to find money for running the whole show. Retrenchment we are not prepared to make. There are only three other things by which you can make money. If you

[Mr. S. G. Jog.]

are prepared to do that, I think I will suggest them for your information; beg, borrow or steal. If you are not prepared to adopt a policy of retrenchment, I will make a proposal to the Commerce Member to go on a begging expedition to carry on this show. But I do not think he will agree to this proposal. The next proposal is that of borrowing. India, you know, had practically reached its extreme point, and India is not prepared to bear any burden of borrowing any longer. Having disposed of three ways of finding money, as regards stealing, if the Commerce Member is prepared to do that, I think we will try to incorporate a provision in the Penal Code that stealing for the purposes of financing or increasing the resources of the Railway Administration should be exempt from punishment under the Code. In these circumstances, I submit that this Department, to my mind, appears to be merely a luxurious Department, and should not be conducted in these trying circumstances of financial stringency. I have great pleasure in supporting Mr. Bhuput Singh's cut, and if it comes to a division, I appeal to all groups to support it.

Mr. Arthur Moore: Sir, it seemed to me, listening to the last speaker, that he was begging the question. I am quite sure that we all listened to the opinions of the late Mr. Gokhale with great respect. But I fail to see what bearing they have on the Publicity Department of the Railway Board, because the assumption underlying my Honourable friend's speech was the assumption which, I think, my Honourable friend, Mr. Eric Studd, had effectively destroyed. He assumed that the Publicity Department was a luxury. Well, Sir, the whole defence of publicity is that it is not a luxury but a necessity.

Mr. S. G. Jog: I did not say that the Department is a luxury.

Mr. Arthur Moore: I understood that my Honourable friend certainly used the word luxury.

Mr. S. G. Jog: The Department is a necessity, their ways are luxurious.

Mr. Arthur Moore: There again I thought that the figures that we read as having been paid to artists for posters did not sound to me extremely luxurious.

Mr. B. Das: Why not pay Indian artists luxuriously while European artists are paid luxuriously?

Mr. Arthur Moore: My Honourable friend is again begging the question. I have not the slightest desire in any way to discourage—in fact I would put it the other way: I have the very strongest desire to encourage, and to see encouraged, Indian artists; and I should be very glad indeed to see the Publicity Department of the Railway Board doing everything possible to encourage Indian artists. But I am convinced, to quote the title of a play which had a very long run in England, that “It pays to advertise.” I know that some six years ago, when I was visiting Honolulu, I was met there by people who told me that they had found that they got most astonishing results by advertising their island in India. They found that a great many people now had adopted the habit of going home at least once during the course of their career via the Pacific, largely because of the advertising that took place in this country. In Australia and New

Zealand I was told that they also found a direct benefit from that advertising. I myself was very much struck with the fact that, going round all the States in Australia, never once till I got to Tasmania did I see an advertisement of the Indian railways. In Tasmania only did I see the Indian railways advertised, and I made a mental note at that time that it was a failure on the part of Indian railways that they were not sufficiently advertised in Australia and that they were obviously losing remunerative traffic. I am quite certain that the Canadian Pacific Railway and the other railways which advertise regularly in this country do not do so for nothing, and that they are satisfied that they are getting an adequate return. I think it would show on the part of this House a definite lack of business acumen if now, because the times are bad, we begin—I hope I will not mix my metaphors too much, being encouraged by my friend from Assam—to lay the axe to the goose that lays the golden eggs. (Laughter.) We had better wield our axe in some other direction. It is on what I may call an entirely hard-faced view of business that I would like to suggest to my Honourable friend that he would be well advised, after having ventilated his grievance, which, I understand, is that he thinks not sufficient attention is paid to Indian art, . . .

Mr. S. G. Jog: It is not a question of encouraging Indian art; there are other Departments where art can be encouraged.

Mr. Arthur Moore: There my friend is raising a new point. Is he suggesting that artistic posters do not pay? Surely the whole point is that artistic posters do pay, and that art is not being encouraged by Railway Department at all for art's sake; but purely for the money that it is going to bring in to railway revenue. These artistic posters are, shall we say, the sprats to catch whales or, as some one said, cats to catch the mice. I am quite sure that the idea behind this publicity is not at all directly to encourage art, though it does so indirectly by providing artists with a market for their wares. As I say, my friend has now called attention to the desirability of emphasising the Indian aspect of art in our railway posters; and I think it is an extremely valuable point to bring out in this debate; but lest his cut be interpreted in any way as saying that money spent on publicity is ill-spent and does not bring in a return I would suggest to him that he should withdraw his motion.

Mr. Bhuput Singh: Sir, my object was only to bring to the notice of the Department that these expenses should not be continued and I have achieved that result; so I would beg the leave of the House to withdraw my motion.

The motion was, by leave of the Assembly, withdrawn.

Future Constitution of the Railway Board.

Mr. E. C. Neogy (Dacca Division: Non-Muhammadan Rural): I beg to move:

“That the Demand under the head ‘Railway Board’ be reduced by Rs. 100.”

Sir, I am afraid I chose a rather unpropitious moment for making my appearance this time in this House; for when about a week ago I took the oath of office a feeling of unusual depression bore upon me and the

[Mr. K. C. Neogy.]

speech which the Honourable the Leader of the House delivered in introducing the Railway Budget was not calculated to relieve that feeling of depression. My first impulse was to run away from Delhi as an escape from the atmosphere of unreality that seemed to me to pervade this House; but I have overcome that impulse and I have risen to discuss the future constitution of the Railway Board. The present and past of the Railway Board are, alas! too well-known to us, and I for one am not prepared to allow the Railway Board to determine its future. If the Railway Board had its own way, perhaps this Legislative Assembly would not be in existence. There would be no Railway Budget; there would perhaps not be even an Honourable Member in charge of the Railway Department. There would perhaps be a Czar of the Indian Railways and a Grand Duke Parsons and a few other high dignitaries of the royal blood; and also perhaps a Siberia for my Honourable friends, Mr. B. Das and Dr. Ziauddin Ahmad; for the Railway Administration is such a delicate mechanism that, it cannot survive even the slightest breath of criticism. That has been the orthodox railway view; and when the Montagu-Chelmsford reforms were about to be introduced, or shortly after they were introduced, the Railway Board as a matter of fact actually proposed that this Assembly should have nothing to do with railway management, and that the entire Railway Department should be made a non-voted subject. And I think we owe it to Mr. Montagu that this was not done, but we know how futile our attempts have been to improve and popularise the railway administration, yet we find that the Railway Department grumbles at the fact that the Assembly has been taking some interest in the internal administration of the Railway Department. Indeed, a railway Miss Mayo seems to have been found, and I hold in my hand a more or less recent publication from America in which not merely the railway official point of view is given, but also the view of my Honourable friend, Mr. Arthur Moore, and his party is purported to be represented, and I make no apology for quoting a few lines from that book.

Mr. A. A. L. Parsons: What is the name of the book?

Mr. K. C. Neogy: It is called "Government Ownership and Operation of Railroads". Now, this is what it says:

"Although India does not have representative Government, and for that reason the employees may not directly bring as much pressure to bear on governmental authorities as in other countries, the pressure of native opinion already causes more natives to be employed as officials on the government lines than would be the case were efficiency the sole consideration, and more than the companies find desirable."

And then follows an example:

"As an example, out of consideration of safety all third class passengers were formerly locked in waiting as on the continent of Europe to prevent their attempting to board trains before they stop. Now some of the state lines have been compelled to discontinue this practice as humiliating to the native. Another consideration which makes the English Members of the Assembly"—and this perhaps includes my friend Mr. Arthur Moore—"look unfavourably on government management is that putting aside all thought of race prejudice, it is unfortunately true that the efforts to turn the young native into a competent and trustworthy engineer or traffic man have to a large extent been a failure."

Mr. B. Das: Who is that shameless author? Give us the name. Is that Sir Clement Hindley?

Mr. K. O. Neogy: The writer is an American author. The author comes from the native land of Miss. Mayo.

Mr. Arthur Moore: Why should you identify him with the European Group here?

Mr. K. O. Neogy: Now, Sir, I maintain that, as a result of the separation of Railway finances from General finances, a good deal of authority has been surrendered by this House in favour of the Railway Administration, and by the Secretary of State in favour of the Government of India, and by the Government of India in its turn in favour of the Railway Board, and so on down to the lowest rung of the ladder. Now, a few years of that experiment have passed, and if a thorough inquiry were to be made now into the stewardship of our Railway Department under this convention, I am sure there would be found to be sufficient justification for this House to tighten up its control over the Railway Administration. But perhaps the railways think otherwise. And just as we are on the threshold of another epoch of constitutional progress, the Railway Department have convinced the Government of India that the little control which the Legislature exercise over it should be removed, and we find in the Government of India's despatch on the constitutional proposals that they think that the Railway Administration should be entrusted to a statutory authority, an authority which should be very largely independent of the control of the Legislature. Sir, there is hardly sufficient time for me to summarise the Government of India's proposals in this behalf. They will be found in paragraphs 191 to 196 of the Government of India's despatch. I will only read out just a few lines from these paragraphs to show the trend of the opinion of the Government of India's despatch. The Government of India evidently think that the Railway Administration should be treated as an adjunct of the Military Department, and it says this:

"The purposes in which Parliament must, we think, continue to be interested so far as railways are concerned fall under the heads of Defence, Finance, the Services, and the Anglo-Indian community".

(Laughter from the Nationalist Benches.)

Proceeding to comment upon the influence which the Legislature exercises upon the Railway Administration, the Government observe as follows:

"Under the present constitution, the Legislature can exert considerable influence on the Railway Administration, and the dangers to be apprehended are already becoming evident."

I should like my Honourable friend the Railway Member, if he has the time, to explain this point a little more fully as to what the dangers are which he had in mind when he appended his signature to this despatch. Then the Government of India say:

"We can find no reason for thinking that the difficulties in India would be less than they have been found elsewhere."

And then the Government of India go on to recommend that Parliament should set up a statutory authority for the administration of the railways and that it should be open to the Legislature hereafter to amend certain statutory rules that might be framed under the Parliamentary legislation. Thus far and no further.

[Mr. K. C. Neogy.]

Now, Sir, this proposal of the Government of India, I find, has been hailed with delight among others by the B. N. Railway, and at the last Annual Meeting of the B. N. Railway Company, the Managing Director said:

"I am of the opinion that the present meticulous control is largely due to politics and seriously affects the efficient working of Indian railways, which should be operated entirely with the object of developing the trade of the country. I feel sure that the present system of control increases the cost of working, reduces the authority of Agents, and restricts their initiative, and further impairs the loyalty of employees to their railway."

Then he recommends that a more substantial degree of self-government should be granted to Boards and Agents of Company-worked lines, as well as to Agents of State-worked lines, Sir, having been a member of the Public Accounts Committee, this observation of the Managing Director of the B. N. Railway did not come to me as a surprise (Laughter), for I do not remember to have found in my experience as a member of the Public Accounts Committee another equally formidable catalogue of financial abuses that prevail on the B. N. Railway, in connection with any other railway. I think it was only two years back that a large number of gross financial irregularities, extravagance and waste came to light as a result of the Auditors' Report in connection with this Company.

Now, Sir, this constitutional question came up for consideration at the Round Table Conference, and I understand there is a good deal of jubilation in the railway quarters at the fact that the Federal Structure Committee in para. 19 of its Report have made the following recommendation:

"In this connection the Sub-Committee take note of the proposal that a Statutory Railway Authority should be established and are of opinion that this should be done, if after expert examination this course seems desirable."

I am sorry, Sir, to have to cause some disappointment to my Honourable friend opposite, because I am going to point out that this recommendation has absolutely no foundation, that is to say, it has crept in as a result of a misunderstanding and misapprehension on the part of the Members of the Round Table Conference. I have in my hand the official Report of the proceedings of the Committee when this Report was under discussion, proceedings which I do not think are yet available in India, and I want to place on record just a few extracts to show how this recommendation should never have found a place in that Report. I will first of all turn to the observations made by Mr. Jinnah, whose absence today I regret very much. This is what he said when the draft Report of the Committee was under discussion:

"I do not think, Sir, that that subject was at all discussed and yet I find this in the Report."

Then the Lord Chancellor who presided said:-

"The subject was discussed; His Highness of Bikaner made a great number of remarks about it on one occasion and discussed the Statutory Board and gave a long account of his own Railways."

Then Mr. Jinnah said:

"We definitely made a recommendation here, and I doubt whether we discussed whether such a recommendation should be made."

Then the Chairman said:

"Very well; I will make a note of that."

Mr. B. Das: What a farce!

Mr. K. O. Neogy: Then, this point was again taken up by the Right Honourable Mr. Sastri. He said:

"I agree with Mr. Jinnah as to the proposition he laid down with regard to the proposal made here upon the subject of railways. When we constituted the Railway Finance Committee, and it was proposed to separate it from the general finance of the Government of India, it was distinctly understood that it was not to be regarded as a derogation from the powers of the Legislative Assembly, and I think it is very necessary to safeguard the rights of the Legislative Assembly even upon Railway administration, and I should think it a wrong provision to make that a statutory authority should be established."

Mr. Jayakar followed him in this strain:

" . . . I am opposed to giving a statutory basis to the Railway Board or any more recognition than it has at the present moment. I want freedom to be left to the future Minister of Railways to adjust the constitution, the powers and the affairs of the Railway Board in any way which he likes and which he thinks is suited to the requirements, and the growing requirements, of self-government in India."

Sir, the next one to refer to this point was Sardar Ujjal Singh. He said:

" . . . I feel that question was not discussed in detail in the sub-Committee, and I was rather astonished to find it given such great prominence in the Report. I do not exactly remember, but I think it was probably mentioned by His Highness of Bikaner or some other speaker that a statutory authority ought to be established so far as Railway administration is concerned."

And then follows the disclaimer by His Highness the Maharaja of Bikaner:

"I never used the words 'statutory authority'. I referred to the Railway Board exercising the functions it does now."

So, what he meant was the Railway Board as it now exists, and yet, this recommendation has been incorporated in the Report! (*Mr. B. Das:* "What a shame!")

Now, as time is very short, and as I am very desirous of hearing the Honourable Member in charge in reply, I would just conclude by saying that I am not going to say that we are not prepared to consider the question of reshuffling and rearranging the administration of the Railway Board, nor am I going to say offhand that I am not prepared to agree to the constitution of a statutory authority under any circumstances. But what I would emphasise is that in any question affecting this matter, this House should be taken into the completest confidence, and that it would be very dangerous for the Government to try to deprive this Assembly of its present position of authority over the railways, by seeking to get a provision made in the Parliamentary statute, establishing a statutory authority for the railway management, which would be more or less independent of this House. If the necessity is felt by the responsible Minister for Communications when he is appointed, and if the necessity is felt by the future Legislature of India that such a body should be appointed, and the Indian public are convinced that such a body should be appointed in the interests of economy and better management of the railways, I for one would be the first man to support such

[Mr. K. C. Neogy.]

a proposition. But what I contend is that the Honourable Member should not think of seeking this provision to be made in the Parliament any statute in derogation of the authority of the Indian Legislature (Applause.)

Mr. Arthur Moore: Mr. Neogy has introduced . . .

Mr. B. Das: You are not the Government to reply to Mr. Neogy.

Mr. Arthur Moore: Is the Honourable Member aware that I was personally mentioned by Mr. Neogy?

Mr. B. Das: But you know that there are only three minutes to five and the Government Member may not have time to reply.

Mr. President: Order, order.

Mr. Arthur Moore: Mr. Neogy has introduced a new precedent. We have heard of people censuring the Railway Board for sins of omission and commission in the past and in the present, but Mr. Neogy has decided to censure the Railway Board for the future. In doing so, he produced a quotation from an American book which I think is completely unknown to most of us, and he identified myself and other Members of this Group with those views. I can assure Mr. Neogy . . .

Mr. K. C. Neogy: The author did.

Mr. Arthur Moore: Sir, I personally have never before taken any part in a railway debate till this afternoon, and as far as I am aware, no Member of this Group has ever used the language, or expressed the sentiments, that that American author has used and which Mr. Neogy has attributed to us. But I would say this, that I think Mr. Neogy has rendered a useful service, because his speech does draw attention to certain dangers; in fact, I would say that, if there is a movement for a statutory body in connection with the railways, it is speeches like Mr. Neogy's that give life to that movement. We here certainly have never questioned either the separation of the Railway finance or the authority of the Standing Finance Committee for Railways, nor have we ever in any way, as far as I know, deprecated the full discussion that takes place in this House. But speeches such as we have just listened to, remind me of the saying of the late Mr. Sim in this House that that is not the way to run a railway, but the way to ruin it.

The Honourable Sir George Rainy: I did not rise before, because it is impossible to deal, in five minutes, with all the points that were referred to by Mr. Neogy, but I would say one sentence in reply, and it is this. My Honourable friend is afraid that we may smuggle through, by some concealed methods, provisions about the railways which the country does not want. Now, what does the whole Round Table Conference procedure mean but procedure by discussion and agreement, and how is it possible in those circumstances, and how can His Majesty's Government connive at the sort of scheme which the Honourable Member thinks the Government of India have in their mind? (Applause.)

• **Mr. President:** The question is :

5 P. M. "That the Demand under the head 'Railway Board' be reduced by
Rs. 100."

The motion was negatived.

Mr. President: The question is :

"That a reduced sum not exceeding Rs. 10,49,900 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending the 31st day of March, 1932, in respect of the 'Railway Board'."

The motion was adopted.

DEMAND No. 2—INSPECTION.

Mr. President: The question is :

"That a sum not exceeding Rs. 90,000 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending the 31st day of March, 1932, in respect of 'Inspection'."

The motion was adopted.

DEMAND No. 3—AUDIT.

Mr. President: The question is :

"That a sum not exceeding Rs. 14,20,000 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending the 31st day of March, 1932, in respect of 'Audit'."

The motion was adopted.

DEMAND No. 4—WORKING EXPENSES: ADMINISTRATION.

Mr. President: The question is :

"That a sum not exceeding Rs. 13,00,00,000 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending the 31st day of March, 1932, in respect of 'Working Expenses: Administration'."

The motion was adopted.

DEMAND No. 5—WORKING EXPENSES: REPAIRS AND MAINTENANCE AND OPERATION.

Mr. President: The question is :

"That a sum not exceeding Rs. 37,54,00,000 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending the 31st day of March, 1932, in respect of 'Working Expenses: Repairs and Maintenance and Operation'."

The motion was adopted.

DEMAND No. 6—COMPANIES' AND INDIAN STATES' SHARE OF SURPLUS PROFITS AND NET EARNINGS.

Mr. President: The question is :

"That a sum not exceeding Rs. 75,00,000 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending the 31st day of March, 1932, in respect of 'Companies' and Indian States' share of surplus profits and net earnings'."

The motion was adopted.

DEMAND No. 9—APPROPRIATION TO DEPRECIATION FUND.

Mr. President: The question is:

"That a sum not exceeding Rs. 13,00,00,000 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending the 31st day of March, 1932, in respect of 'Appropriation to Depreciation Fund'."

The motion was adopted.

DEMAND No. 11—MISCELLANEOUS EXPENDITURE.

Mr. President: The question is:

"That a sum not exceeding Rs. 10,75,000 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending the 31st day of March, 1932, in respect of 'Miscellaneous Expenditure'."

The motion was adopted.

DEMAND No. 14—WORKING EXPENSES (STRATEGIC RAILWAYS).

Mr. President: The question is:

"That a sum not exceeding Rs. 1,97,50,000 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending the 31st day of March, 1932, in respect of 'Working Expenses (including Appropriation to Depreciation Fund and Miscellaneous Expenditure)'."

The motion was adopted.

Expenditure Charged to Capital.

DEMAND No. 7—NEW CONSTRUCTION.

Mr. President: The question is:

"That a sum not exceeding Rs. 2,86,80,000 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending the 31st day of March, 1932, in respect of 'New Construction'."

The motion was adopted.

DEMAND No. 8—OPEN LINE WORKS.

Mr. President: The question is:

"That a sum not exceeding Rs. 8,38,40,000 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending the 31st day of March, 1932, in respect of 'Open Line Works'."

The motion was adopted.

DEMAND No. 15—NEW CONSTRUCTION AND OPEN LINE WORKS (STRATEGIC RAILWAYS).

Mr. President: The question is:

"That a sum not exceeding Rs. 17,00,000 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending the 31st day of March, 1932, in respect of 'New Construction and Open Line Works'."

The motion was adopted.

Other Expenditure.

• DEMAND No. 10—APPROPRIATION FROM DEPRECIATION FUND.

Mr. President: The question is :

“That a sum not exceeding Rs. 8,25,00,000 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending the 31st day of March, 1932, in respect of ‘Appropriation from Depreciation Fund (Commercial and Strategic)’.”

The motion was adopted.

DEMAND No. 13—APPROPRIATION FROM THE RESERVE FUND.

Mr. President: The question is :

“That a sum not exceeding Rs. 4,14,67,000 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending the 31st day of March, 1932, in respect of ‘Appropriation from the Reserve Fund’.”

The motion was adopted.

The Assembly then adjourned till Five of the Clock on Saturday, the 28th February, 1931.

'LEGISLATIVE ASSEMBLY.

Saturday, 28th February, 1931.

The Assembly met in the Assembly Chamber of the Council House at Five of the Clock, Mr. President in the Chair.

MEMBER SWORN:

Khan Bahadur Makhdum Syed Rajan Baksh Shah, M.L.A. (South-West Punjab: Muhammadan).

THE BUDGET FOR 1931-32.

INTRODUCTORY.

The Honourable Sir George Schuster (Finance Member): Sir, another year has passed and we meet once more in this Chamber to take stock of the business side of Government.

I think I may feel assurance that all Members of this Assembly, in whatever quarter of the House they sit, will agree with me at least in one thing, and that is that we meet in circumstances of great difficulty, and that the responsibility of which I have to render account tonight is a heavy and perplexing one.

2. If I can secure agreement from all sides on this point, perhaps it is not too much to hope that Honourable Members will carry their sympathy a stage further and approach the consideration of the problems and proposals which I shall explain tonight, in a spirit which recognises that the difficulties are mainly inherent in the present situation in India and that they require a common effort for their solution. Let me explain what I mean by this.

3. So far as economic factors alone are concerned, our problem is one which the whole world has to face, and in fact, our situation in India is, in that respect, easier and more straightforward than that of most other countries. But in India we have this added complication—that we are passing through a period of great political stress and strain, and stand on the eve of a fundamental change in the system of Government. This complicates the situation in many ways, and the one difficulty reacts on the other. For, on the one hand, the economic situation could be more easily dealt with if we stood on more stable political ground, while, on the other hand, the political changes could be more easily effected if the country were not in the midst of these economic difficulties. There is an old English saying: "Don't change horses in the middle of the stream". India today has to consider a change in political horses just when she is crossing a stream of economic difficulties which is sweeping down in dangerous flood upon her. If the operation of changing horses is to be accomplished without disaster to India, then all who are engaged in it must work in co-ordinated co-operation.

[Sir George Schuster.]

4. As a preface to my business statement, I will say this. Times are bad. We all know that. But there are two thoughts which we should not forget. The first is that India is not alone in this economic adversity. It is a condition through which the whole world is passing, and I am convinced that the state of many countries is, beyond all comparison, worse than that of India.

The second is that the country has been through such times before. Economic life, at least in the modern world, moves in cycles, or with ebb and flow. We are on the ebb now, but it is a safe prophecy that the tide will turn.

5. It is important to remember these things, not as affording any justification for thoughtless optimism or for lack of determination in dealing with the present problems, but in order to preserve a sense of proportion both as regards those problems and the remedies. So far as India is concerned, the fundamental position is still sound. The time has not yet come for panic measures or desperate experiments which might land us in unknown complications or endanger the efficiency of the whole machinery of Government. What we need rather is to give unremitting care to details, to stick to principles of sound finance, to work hard, keep our heads, and pull together. Above all, it is necessary to be sound in our finance. There must be no doubts about our determination in this at the present critical time.

6. *Economic review.*—I must now turn to my main task tonight. For the purpose of the review and the forecast which are necessary, our Government finances are in this period so affected by surrounding conditions that, in order to judge the present position and to forecast the future, a very careful study of those conditions is necessary. In order to assist Honourable Members and the public, on whose proper understanding of the position we so much depend, I have had prepared an economic review of the main items of trade for the past calendar year. This has been done by Dr. Meek, the Director-General of Commercial Intelligence and Statistics, and will be distributed at once with the usual financial papers. This step represents an effort to provide information in more up-to-date form than is available from the usual annual trade review—which normally appears rather too late after the event to be of full value.

7. It would be impossible for me tonight to attempt anything like an exhaustive account of the situation and I shall content myself with referring to certain main features and stating certain broad conclusions.

8. *Trade depression and fall in prices.*—So far as concerns those conditions which normally affect our Indian estimates, there is nothing adverse of which to complain. Crops during the agricultural season 1929-30 were fairly good and the monsoon of 1930 was generally normal, producing, on the whole, satisfactory results. On the other hand, the year which we are just completing has witnessed one of the worst industrial and trade depressions in history. The downward trend of the trade movement started in October, 1929, after the Wall Street collapse in America and from there the movement spread to other countries all the world over. The depression deepened at an accelerated rate in 1930, and conditions became progressively worse as the year advanced. As a result of the fall in prices and the trade depression, practically all classes in all countries

are suffering from a lack of purchasing power. It is too early yet to say whether the bottom of this movement has been reached, but in considering prospects for next year, I think it is necessary to reckon that, as regards prices and the general volume of commercial activity throughout the world, recovery will be slow.

9. The fall in prices has affected most severely those countries whose economic activity is mainly directed to the production of primary agricultural products. This is brought out most clearly from the index numbers of wholesale prices in various countries, for, in India, the fall in the Calcutta wholesale prices index corresponds very closely with the falls in countries like Australia and Japan, and is heavier than the fall in the wholesale figures for the United States or the United Kingdom. The same point is seen by comparing falls in the prices of articles which India exports with the fall in the prices of those articles which she imports. The fall in the former between September, 1929 and December, 1930, was 36 per cent., and the fall in the latter 16 per cent. India may therefore perhaps be said to be going through the worst time now. She has felt the severity of the fall in the case of what she has to sell, but has not obtained a corresponding advantage of the fall in prices of what she has to buy.

10. *Political situation.*—Apart from the effects of the economic crisis, the situation in India has been aggravated by special factors which are only too familiar—internal disturbances and the uncertainty caused by the prospects of fundamental constitutional changes.

11. Now, judging from questions which have been asked in this Assembly and discussions in the press, a good deal of interest has been taken in the question as to how much of the present economic depression in India is due principally to world causes, and how much to political disturbances in India and to certain special features of the civil disobedience movement. If discussion on this subject is to be used as a basis for a campaign of recrimination, that is a purpose to which I do not intend to lend myself tonight, but there is some practical importance in making an objective study of the situation in order to form an opinion as to the extent of improvement for which we may hope if normal internal conditions and confidence in the future can be restored.

The facts recorded in the Report which I am circulating, will enable Honourable Members to form an opinion on certain aspects of this question. If I were to endeavour to answer it shortly, I should summarise my views as follows.

12. So far as the total volume of India's external trade is concerned, the main course of events has been determined by world economic conditions. Exports have kept up well in volume, and the total imports have not declined to a degree appreciably out of proportion to the drop in the value of the exports. On the other hand, certain classes of imports have shown major variations from the normal—notably cigarettes and cotton piece-goods, but, as to the latter, it is necessary to remember that a part of the variation might have been expected as a result of the higher import duties imposed last year.

13. On the other hand, although the course of external trade may have been mainly governed by economic causes, internal trade has suffered disastrously as a result of political disturbances. Unnecessary losses to private traders must have been very great, while enormous

[Sir George Schuster.]

sums of money must have been diverted from productive purposes. This kind of effect is seen in Provincial budgets, but there must be much more which does not appear in any public accounts.

14. Lastly, and above all, the most damaging effects have been caused in what I may describe as the region of Finance. The implications of the movement have weakened confidence in India as a field for investment both at home and abroad, and this has led to a decline in the price of Indian securities, both Government and private, to a lack of credit for traders and of capital for new enterprise, and to a steady export of capital from the country. This has meant increased expenditure on loans for Government and has forced Government to take measures to protect the position which have resulted in high money rates, with a consequent increase in the difficulties of traders in these very difficult times. With these particular points I shall have to deal more fully later.

15. I have stated the case in the preceding sentences with studied moderation, but I must guard against that moderation being misunderstood. The country has, it is true, survived the past year without irreparable disaster. But the reserves and credit of all—individuals and public authorities alike—have been seriously weakened, and any continuance of internal disorders is a matter which all who have the true interests of India at heart must view with the gravest possible concern. It might, in fact, mean that India, on the day when she should be inaugurating her new constitution with bright hopes of success, would find herself, instead, struggling desperately for mere existence in a morass of economic troubles.

This is the general picture which I would give.

16. *External trade.*—As regards external trade there are some features which deserve special comment.

The visible balance of trade in favour of India (including private imports of treasure) for the first 9 months of the current financial year was 34.43 crores comparing with 41.62 crores for 1929, 39.76 crores for 1928, and 33.07 crores in 1927. The balance was therefore not strikingly worse than the average of the last few years and was actually better than in 1927.

As against this, of course, the value of trade has declined enormously—exports of merchandise for the 9 months being down by 61 crores, as compared with last year, and imports by 56 crores.

17. But, in forming a view of the state of Indian trade, it is necessary to consider the volume as well as the values. If we compare the results for the calendar year 1930 with the calendar year 1929 and reduce them to a common basis as regards price, we find that the volume of exports declined by less than $\frac{1}{4}$ per cent. (to be exact .4 per cent.), while the volume of imports declined by just under 18 per cent. This greater decline in the volume of imports was natural. The country pays for its imports with its exports and since, as already pointed out, the price of the goods India exports fell much more than the price of goods which she normally imports, the same volume of the former could only buy a smaller quantity of the latter.

It is, I think, worthy of special comment that, in these times of bad world conditions and of general over-production of the agricultural commodities on which India relies, she has been able to maintain the volume of her exports. It is a sign of general health in the economic condition which, in spite of the diminished prices received, must, on an impartial view, be regarded as satisfactory.

18. As regards the export trade, the main facts to note are the large decline, both in quantity and value, of jute exports, and the satisfactory position, at least as regards quantities of exports, shown for Indian cotton. Exports of raw jute, on the nine months to date, show a fall of nearly 12 crores—a decline in value of 54 per cent. and in quantity of 29 per cent. Cotton exports for the nine months are up to last year's level, but show a decline in value of 24 per cent. I should like to say something about cotton, for, although the present price is so unsatisfactory, this is an item which has certain very encouraging features for India's future, while there are important economic lessons to be learnt in this particular case. There is no doubt that Indian cotton is steadily gaining ground in the world's markets. For 1930 the total exports were 727,000 tons as against 702,000 in 1929. This increase is extremely satisfactory in times, like the present, of diminished consumption throughout the world. Many manufacturers, especially in Lancashire, are now adapting their mills so as to substitute Indian for American cotton. The new Lancashire combine—the Lancashire Cotton Corporation—whose mills a year or two ago only took about 10,000 bales a year of Indian cotton, hope shortly to be taking up to 4,000 bales a week and eventually more than double this quantity. But the strength of the Indian cotton position depends on its price. It is being bought because it is cheaper than American cotton. If the relative price of Indian cotton is forced up, the advantage will disappear, and the tendency which is now going on for a change-over to Indian cotton will be stopped. I mention this because there have been frequent demands that Government should intervene to support the price of Indian cotton. We could not accede to these demands because we felt that experience proved that all such attempts made in other countries to interfere with normal economic forces had ended disastrously. But it might have had an added evil effect in the case of Indian cotton, because if special efforts had succeeded temporarily in putting Indian cotton up to an artificially high level, they would just have defeated that tendency—so favourable, in the long run, to India—of which I have been speaking, and checked the establishment of a permanent new market for Indian cotton.

19. These are some of the points which, I think, are worthy of notice. If there are any favourable features or if the evidence shows that the underlying position is healthy, these things do not of course counteract the immediate effects of the great drop in the value of trade and the consequent serious direct loss to Government revenues from customs duties or the indirect loss through lower trading profits.

20. *Revised estimates for 1930-31.*—The figures which have already been before the House in connection with the Railway estimates, have shown with unpleasant clarity the scale of deterioration which has to be faced. These Railway results have not, of course, as yet (owing to the method of calculating the Railway contribution) affected our normal revenue, though they have had a serious effect on our ways and means

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position, and they have raised a danger signal for revenue also in the future.

21. Apart from this, I shall only refer now to the most important features in the results for the current year, for the details of the revised estimates are shown in the Financial Secretary's Explanatory Memorandum which will soon be in the hands of Honourable Members along with the other budget papers. I expect that we shall lose as much as 9½ crores under Customs, of which cotton piece-goods and jute contribute 3.45 lakhs and 85 lakhs, respectively. To the extent that duties are specific, we are hit by the reduction in the volume of imports and exports. To the extent that the duties are *ad valorem*, revenue automatically falls even if the volume of imports is maintained at the former level. Under Taxes on Income, I expect that we shall lose 2.20 crores notwithstanding the fact that the assessments have reference to the incomes of the previous year. The revenues of the Indian Posts and Telegraphs Department have also been seriously affected by the prevailing conditions and the working of the Department is expected now to result in a loss of no less than 1.36 lakhs against 48 lakhs anticipated a year ago. The deterioration on the Finance headings is in a large measure due to the ways and means operations of Government which I shall deal with later. The main items of deterioration as compared with the budget may now briefly be summarised as follows:

	Lakhs.
Important revenue heads, viz., Customs, Taxes on Income, Salt and Opium (net)	12.10
Posts and Telegraphs (including the Indo-European Telegraph Department)	89
Finance headings, viz., Debt Services, Currency and Mint.	1.38
Other heads	5
Total	<u>14.42</u>

As the final budget estimates showed a surplus of 86 lakhs, the revised estimates work up to a deficit of 13.56 crores.

PROSPECTS FOR THE YEAR 1931-32.

22. *General considerations.*—I can now turn to the estimates for 1931-32. In making these, I have been influenced by the following considerations. So far as concerns the special disturbances as affecting economic activity in India, we may at least hope that these will not be aggravated during the coming year, and that their effect will gradually diminish. On the other hand, so far as general conditions are concerned, although I believe that a return to peace and co-operation in India might have a direct influence on a world recovery, nevertheless, it would be prudent to reckon that as regards the general level of prices, and as regards the general volume of commercial activity throughout the world, recovery will be slow. There is a mass of wreckage to be cleared away, and although there are signs that we have reached the limit of the ebb, nevertheless, some time must elapse before the tide sets strongly towards a permanent recovery in world conditions. On these grounds I think it necessary to be cautious in the revenue estimates for next year. And I

would at this point emphasise that a very special duty rests on those of us who are responsible for handling public affairs in this transitional stage and on the eve of constitutional changes. That duty is to face and overcome present difficulties with present measures, and not to leave an unsound position with hidden weaknesses to our successors.

At the same time, we must not go too far in our pessimism. For, a policy which magnifies unduly the burden to be put upon the tax-payer of today, may defeat its own object by placing upon the commercial life of the country a load which would itself retard recovery.

23. Keeping these counterbalancing considerations in mind, I have framed the revenue estimates on a basis which is cautious so far as world conditions are concerned, but which otherwise assumes fairly normal conditions in India.

24. I must now turn to the problem of balancing the budget, and endeavour to show in broad outline the component elements of that problem. The best way in which to do this is to take, as a basis for comparison, the budget figures for the current year and show how our prospects for next year have deteriorated. In this way I can make clear what is the gap which we have to fill—a gap which can only be filled by making, on the one hand, cuts in expenditure and, on the other, providing new sources of revenue.

The position from which I have to start presents itself as follows.

25. *Tax revenue*.—I calculate that we must face a fall in tax revenue, as compared with the current budget estimates, of no less than 13·16 crores. In order to make clear the main features, I need only now refer specially to the large heads of Customs and Taxes on Income.

For Customs I estimate total receipts of 46·64 crores, which is 8 crores worse than the budget estimates for the current year, but 1½ crores better than what we now expect to realise this year. It would certainly not be safe to count on getting more than this, having regard to the low level of prices and the diminished purchasing power of India.

For Taxes on Income I estimate receipts of 13·50 crores which is 4½ crores worse than the current budget and 2·30 crores worse than what we expect to realise this year. Under this heading, of course, an improvement in internal conditions next year will not help us, for next year's income-tax assessments will be based on the current year's results, and so we shall suffer from the bad conditions through which we are now passing.

These two heads alone account for a deterioration of 12½ crores. Apart from this, there will be the normal drop in opium revenue, due to our policy of reducing exports, and other minor deteriorations which make up the figure of 13·16 crores which I have given as total loss on tax revenue as compared with the current budget estimates.

26. *Commercial undertakings*.—I come next to the prospects for the great commercial undertakings—Posts and Telegraphs and Railways.

As regards Posts and Telegraphs, business is badly affected by the current depression, and we must face a net deficit of 1·41 crores in the Indian Posts and Telegraphs Department, or, adding capital expenditure charged to revenue, of 1·52 crores. The budget estimate for the current

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year was bad enough, but the revised estimate under the head as a whole is 80 lakhs worse than that.

As to Railways, I need not say very much. Honourable Members already know the results from the Railway budget. Here, as I have also noted in the case of the current year, owing to the way in which the "Railway contribution" is calculated, our own budgetary estimates are not yet seriously affected. But that does not mitigate the serious nature of the underlying position, and I must here sound a serious note of warning. We are living on our Reserves now and this process cannot be indefinitely continued. If there is no improvement in sight by the end of next year, the whole position will have to be reconsidered. I will say no more on that subject at this stage. The actual Railway contribution is estimated at 5.36 crores instead of 5.74 crores in the current budget, so that here we have a deterioration of 38 lakhs.

Taking these figures together with those for Posts and Telegraphs, the total deterioration on our main commercial undertakings is 1.18 lakhs.

27. *Finance*.—Next we must consider the general Finance headings, Interest receipts, Currency and Mint receipts, Interest on Debt and the Reduction and Avoidance of Debt provision. It is right, for a proper understanding of the position, that these should be considered together.

These headings have a most important bearing on the financial results this year, and I shall deal with them more fully when reviewing our general financial policy later in my speech. For the present, I merely wish to state the actual facts. Our position has been adversely affected under these headings in three ways:

First and mainly, there is a loss of profit to the Government from currency, partly owing to the decreased volume of currency in circulation, which is a necessary result of the general fall in prices and the decreased commercial activity, and partly owing to lower rates of interest on the Gold Standard Reserve. The former, under the headings Currency and Mint, accounts for a net deterioration of 2.27 lakhs, and the latter, under the heading Interest receipts, for a deterioration of 54 lakhs.

Secondly, there are higher charges on Interest on Ordinary Debt due to increased rates of interest payable on new loans and to the borrowing necessary for covering the deficit in the current year. Under this head, however, the net deterioration is only 1 lakh, because we have revised the basis on which interest charges are made to the Commercial Departments. This revision—which has already been explained by my Honourable Colleague, Sir George Rainy, in introducing the Railway budget,—has done no more than to put upon the commercial undertakings the full cost of the Government loans from which they benefited. The previous method of calculation meant that general revenues were actually losing interest on a part of the loans made to Commercial Departments.

Thirdly, there is an increased charge, under the heading Interest on Other Obligations, of 16. This increase is accounted for by the larger liability for bonus on cash certificates, which is 22 lakhs higher this year. Apart from this, the total balance of funds held by Government is reduced—mainly owing to the reduction in the Railway Reserve Fund balance.

Lastly, there is the automatic increase, in the provision for Reduction and Avoidance of Debt, of 78 lakhs. This is a heavy item, but at this stage in India's constitutional development, when the outside world is watching closely the effect of the coming constitutional changes on India's financial stability, I am sure that all Honourable Members will agree that it would be fatal to make any diminution in this provision.

28. To sum up—the total deterioration under the Finance headings is 3.76 lakhs, of which 2.81 represents the diminution of profits from currency, mainly due to the decreased volume of currency in circulation, and 95 increased net charges for debt, of which no less than 78 is due to the automatic increase in the Reduction and Avoidance of Debt provision.

29. We can now survey the whole of the picture of which I have thus presented the main features. Comparing the forecast for next year with the current budget, we lose—

13.16 crores in Tax revenue,

1.18 crores on Commercial Departments, and we are worse off by

3.76 crores on general Finance headings. This means a total deterioration of 18.10 crores as compared with the budget estimates for the current year. As those estimates provided for a surplus of 86 lakhs, the net deficit, on the basis of the current year's figures for all the other items, would be 17.24 crores. This is the gap which we have to fill either by cutting down expenditure or finding new sources of revenue. To this task I must now turn.

30. *Military expenditure*.—I propose to deal first with military expenditure—and here I am glad to say that we can put forward a substantial reduction of no less than 1.70 lakhs, bringing the figure (exclusive of the Territorial Force grant) to 52½ crores. I do not think I need repeat the detailed explanations of the arrangement affecting the Army budget which I gave in my budget speeches of the last two years. But I must explain how it is possible to make this cut. The original plan was based on a stabilised budget of 55 crores for four years from 1928 to 1932 and this was the figure included for 1928-29 and 1929-30. In my last budget speech I explained that we had arranged to lengthen the period by one year and reduce the average amount for the remaining period to 54.20 crores. We propose to repeat the same process this year, thus spreading the re-equipment programme over one additional year, so that instead of allowing for a budget stabilised at 54.20 crores for the next two years with a reduced figure thereafter, we shall have a basic figure of 53.63 crores for three years. On top of this, by taking advantage of reduced costs of various articles and savings effected by the military authorities by their economy campaign, and also by postponing part of the ordinary military engineering services, further cuts of no less than 1.18 lakhs have been made. I wish, however, to make

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it clear that the possibility of this economy depends partly on special savings and partly on the continuance of low prices for grain and other stores, so that it may not be possible to repeat it. This is an exceptional cut made in exceptional circumstances to meet the present emergency, and it means a retardation in the programme of re-equipment which the military authorities could not, acting purely on military considerations, have recommended. But they have proposed this special cut in order to help out the general situation, and I wish to take this occasion to express my appreciation of the way in which they have helped to reduce expenditure this year. I am afraid that many desirable projects for improving barracks and providing other amenities for the troops have had to be postponed, and in many cases officers who, according to the stabilised budget arrangement, had been led to expect that savings would be available for such projects have had to be disappointed.

The position has, however, been accepted, and I think it right that this House should know that a whole-hearted and substantial effort has been made by all the officers concerned to help in meeting the present financial situation.

A further small saving has been provided for in the Territorial Force grant, bringing the total military saving to 1,75 lakhs.

31. *Civil expenditure*.—This heading raises the whole question of retrenchment on which Honourable Members are doubtless expecting me to say a good deal today. I shall not shirk the task. I propose to divide it into two parts, first, dealing with what I will describe as immediate practical measures designed primarily to meet next year's difficulties, and secondly, discussing the possibility of a more far-sighted and considered policy for permanently reducing the general standard of Government expenditure. The distinction is perhaps not logically exact, because several of the emergency measures may have a permanent effect—but it is a useful distinction for my present purpose.

To put the same idea in another way, there are two questions before us: "What cuts can we make in next year's budget?" and "What steps can we take to hammer out a policy of retrenchment which will have a lasting effect?"

32. *Cuts made in the budget*.—I will start with the former and thus complete the budget picture. In considering this question, I must ask Honourable Members at the outset to appreciate the limitations and difficulties besetting the task. Although the Civil expenditure of the Government reaches apparently a large figure, the headings of normal administrative expenditure, which alone offer a straightforward task, are really confined to those shown in the accounts as Civil Administration and Civil Works, together accounting for about 16 crores. Even in this reduced total, when one gets down to the actual task, the scope for action is further limited. Thus, about 3 crores out of this total represents expenditure on the North-West Frontier Province, and here, at the present moment, instead of finding a margin for economics, I am faced with new and irresistible demands for new expenditure. I say irresistible, for how can we resist the claim that in this centrally administered area the standard of services, education, health, etc., should be brought up to that of the adjoining and similar districts of the Punjab? The most I can say in the

face of such demands is that, in present financial conditions, we must advance slowly. But it has to be an advance. Then again, there are headings like Audit on which we spend over a crore, where the needs mainly depend on what the Provincial Governments require, while there are others where expenditure represents fixed liabilities. In the case of others again, fixed and increasing commitments have been recently undertaken as part of policies approved by this Assembly. I refer to such items as Agricultural Research grants, grants to the Aligarh and Benares Universities, and the development of civil aviation.

33. Apart from this, I would ask Honourable Members to appreciate the special work which is now falling on all Departments of the Central Government in connection with the constitutional Reforms. Special studies and enquiries are necessary in all directions, and this work is super-imposed on that of current administration, which in itself has been greatly increased owing to the demands made on the time of officials by this Assembly.

34. I have dealt so far with the general head of Civil Administration. There is one other main head where we have power to control expenditure and that is Civil Works. But here again our powers are limited. There is, first, the fixed burden of normal maintenance and repair charges, which can hardly be reduced, and to this must be added the cost of works actually in progress. These works cannot be stopped without involving real waste of public money.

35. It is necessary that these facts should be appreciated, though it is not for me to exaggerate the difficulties, and I shall welcome any support which I can get from Honourable Members in pressing for economies which do not endanger efficiency at vital points.

36. In any case, in spite of all the difficulties, we have made a great effort to restrict expenditure with results that are really substantial. In this we have of course had the advantage of the enquiry by the officer appointed last year to examine the course of expenditure, as to whose Report I shall have more to say later.

37. In the first place, on departmental expenditure we have made special cuts in the provision for contingencies and in the scale of certain allowances. These amount to 26 lakhs—an important percentage on the grants concerned. It is by the cut on contingencies that we hope mainly to check all minor extravagances and leakages. Then we have drastically curtailed expenditure on works for Frontier Watch and Ward to the extent of 22 lakhs and on other special grants to the extent of about 14 lakhs. As regards Civil Works, by refusing all new major works, by slowing up expenditure on works in progress, and by severely reducing the grant for minor works, we have made a saving of 33 lakhs as compared with the current year's grant.

In this way we have made special economies of about 95 lakhs, and to this may be added the automatic decrease—owing to smaller revenue receipts—in the Road Fund grant of 7 lakhs, which brings the total economy as compared with last year on this head to 1,02 lakhs.

38. Apart from these definite economies, other adjustments show a decrease of 24—bringing the total reductions up to 1,26 lakhs after allowing for several items of new expenditure in the North-West Frontier Province. Against this there must be put certain unavoidable increases and new demands which I reserve for special mention, although they are of a

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fairly normal nature. There is, first of all, the automatic growth in the pay-bill owing to the operation of the time-scale system which involves us in an extra charge of about 23 lakhs. Further, in spite of the present hard times, we have decided to include a provision of about 2½ lakhs as part of our programme for improving statistical records bearing on the economic condition of the country, while the grant to the Aligarh University will also go up by 3 lakhs. These items totalling about 29 lakhs reduce the net saving to 97 lakhs.

39. This figure of 97 lakhs may be fairly said to represent the economy in normal Civil expenditure this year; but I have still to mention two very heavy non-recurring items, which would have had to be dealt with differently if I had not been able to balance them by a wind-fall on the receipt side which I must now explain. The two items of expenditure to which I refer are 34 lakhs for the census and 19 lakhs for abnormal capital expenditure (mainly for new aeroplanes and ground works) in connection with the plan for a State Air Service and the general development of civil aviation. The census is of course unavoidable, while, as to civil aviation, it is necessary to carry on with this expenditure unless we are deliberately to abandon the policy which has already been accepted by this House.

40. *A wind-fall.*—The special wind-fall to which I have referred is a sum of about 54 lakhs net to be realised from the sale of the Indo-European Telegraph undertaking.

In the course of this year the negotiations regarding the disposal of the Indo-European Telegraph Department have been concluded. For some time past, this Department has been running at an increasing loss, partly owing to wireless competition and partly as a result of the general trade conditions. Difficulties have also been experienced in administering this Department most of whose operations were conducted in Persian territory, and of late the Persian Government have been pressing for the transfer of control of Persia's internal telegraph system to Persian hands, a demand with which we had naturally considerable sympathy. Under the settlement now reached, it will be possible to satisfy Persia's national wishes in this respect by transferring the Persian Section of the Department to Persia, while, in consideration of our agreeing to release the Communications Company from an old agreement regarding the apportionment of the receipts, India receives a cash payment of £450,000 from that Company and also transfers the liability for maintaining and working the unremunerative Persian Gulf Section to the Company. After allowing for compensatory payments to the staff discharged and for various other adjustments, we shall realise a net sum of about 54 lakhs.

41. As the assets thus disposed of were originally paid for out of revenue, it is quite proper that the connected credit should be taken to revenue and, as I have said, I regard it as specially balancing, and in a sense justifying, the heavy non-recurring expenditure on census and civil aviation which unfortunately falls on next year.

42. *Gap to be filled.*—As the receipt is 54 lakhs and the provision for these two items is 53, that gives me 1 lakh in hand to be added to the net saving of 97. Adding the resulting figure of 98 lakhs to the saving of 1.75 lakhs on the Military budget, we have a total of 2.73 lakhs to put against the deficit of 17.24 crores with which I started.

This therefore reduces the gap to 14.51 crores, and this is the sum for which we must provide by new taxation.

43. *Retrenchment Committee*.—But, before I explain my proposals for taxation, I must deal with the second aspect of retrenchment to which I have referred.

I hope that I have said enough to demonstrate that we have made a great effort this year to cut expenditure. But in times like these, when we are asking the House to impose upon the country a heavy burden of new taxation, I recognise that Honourable Members may legitimately demand some means of satisfying themselves as to the possibility of still further and more permanent economies in expenditure. Speaking as Finance Member, I should welcome such a demand. We therefore propose that, if it should be the desire of this Assembly, there should be constituted a Retrenchment Committee consisting of five non-official members to be elected by the Assembly and two officials to be nominated by His Excellency the Governor General, one of whom would be a representative of the Finance Department.

44. I wish to say something more than the mere announcement of this intention. Last year, when motions for general percentage cuts on all grants were moved by my Honourable friend, Sir Hari Singh Gour, I emphasised to the House the danger of indiscriminate "axing". I think all of us have seen examples of this. In normal times expenditure inevitably grows from year to year. Then, for some reason or other—generally an economic crisis with a sudden drop in revenue—the burden becomes too heavy to be borne and there is a sudden demand for retrenchment. In such cases of emergency, the axe is often wielded with a view rather to immediate than to ultimate results. Indiscriminate cuts are made regardless of their effects—officials are discharged, and thereby additional pension charges are prematurely incurred—and then, when the sudden feeling of enthusiasm has calmed down, and the crisis is past, it is found that essentials as well as non-essentials have been cut away. New men are engaged, their salaries added to the extra pension charges of "axed" officials, and in the end net result may prove, in many cases at least, to have been false economy. With these considerations in mind, I resisted last year the demand for indiscriminate cuts. I promised, on the other hand, that a careful analysis of the growth of expenditure in the preceding five years should be prepared and laid before the House. I wanted Honourable Members to see exactly where and why expenditure had been increased, so that they might launch a well-directed, and not an indiscriminate, attack on the position. This analysis will now be available for them in the form of a very full Report by the officer whom we specially appointed for this duty. His Report will show exactly why, how, and where expenditure has grown, and indicate the main fields to which the search for economies can be most usefully directed. The Retrenchment Committee will thus be able to start work with the assistance of much valuable material with all the preliminaries for their work carefully prepared.

45. *Mr. Jukes' Report*.—I must here make a digression to explain that, owing to circumstances beyond our control, there has been a delay, which I regret, in completing this Report. Mr. Jukes—the officer appointed—after presenting an *interim* Report which was laid on the table during the

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last Simla session, had to be taken away from his work from the end of September till the middle of February in order to act either as Finance Member or as Financial Secretary in the absence, on duty in London, of Sir Arthur McWatters and myself. I had hoped that in the past two weeks he would have completed his Report for the press so that it might be available on the presentation of my budget. Unfortunately, he has been seriously ill and the work has been delayed. But I hope that the Report will be before Honourable Members in good time before the end of this session.

46. The primary task of the Retrenchment Committee will be to investigate possibilities of retrenchment in the Civil expenditure of Government as examined in this Report. But this work must be co-ordinated with other steps in a comprehensive plan. Retrenchment in its fullest sense involves a wide range of subjects, some technical and others which now form part of the whole constitutional issue which is before us. For such subjects, in certain cases, other agencies must be employed, and with these the work of the special Committee of this House, if appointed, must be co-ordinated.

47. *Commercial Departments.*—Let me deal first with the Commercial Departments.

As regards the Posts and Telegraphs, Honourable Members are aware that a special Committee, to be presided over by a distinguished Member of this House, has just been appointed to examine the working of the system of commercial accounts for that Department. This Committee will throw light on an important question which exercises the minds of Honourable Members, *viz.*, whether the account figures as now shown present a fair picture of the commercial working of the service. When that Committee has reported, the way will be open for Government to explore means and methods by which this Department may, most effectively and rapidly, but without detriment to its efficiency, be placed on a sound commercial basis and made to cease its drain on general revenues. If, after that, the Assembly consider it desirable that a further search for economy should be pursued, Government will consult with them as to the best way of giving effect to this.

Turning to the Railways, my Honourable Colleague, Sir George Rainy, has dealt with the question of economy in Railway administration and informed the House of the steps already being taken. He has also indicated that if the Railway results were to continue in such a way as to threaten the financial fabric of the Government of India, then it might be necessary to make a thorough enquiry into the possibilities of improving the position, and that a special technical Committee would be required for such work.

48. *North-West Frontier Province.*—Then there is another form of special enquiry to which I must refer, namely, expenditure in the North-West Frontier Province. I have already spoken of the inevitable growth of expenditure on beneficial services in this Province. But, as regards Frontier Defence, we have recognised that the search for economy must be rigorously taken up, and the Government of India have decided that the time has come to review the whole policy and to consider whether there is any chance of saving money by a better co-ordination of irregular troops, the

Regular Army, and the Air Force. A special Committee has been appointed to investigate this matter, and their Report should be available in a few weeks.

49. *Military expenditure.*—Apart from this, I must also mention the whole field of military expenditure. Here, obviously, no substantial economies would be possible without changes in the composition and strength of the forces in India, which would raise issues, military and constitutional, of vital importance. The study of this subject cannot be undertaken independently of the constitutional issue. It is a subject which has already received special consideration at the Round Table Conference, and I would refer Honourable Members to the Report of the Defence Sub-Committee of that Conference.

50. *Pay and conditions of service.*—Lastly, I come to a very important question, one which, in fact, pervades all the others, the question of pay and conditions of service. A good deal has been said and written on this subject lately, and attention has been directed to reductions in the pay of Government servants which have recently been effected in other countries. The subject has also been ventilated in the discussion on the Railway budget, so that, to that extent, I am not treading on new ground in this House. It is an extremely difficult subject and one on which clear thinking is essential.

51. Let me say something first as to its scope and significance in India. It is often brought as a charge against British administration that India, a poor country, has been burdened with a heavy load of pay for costly officials at the top, specially British officials, and that the money required for education and other beneficial services cannot be available until this burden is drastically reduced. If the matter is to be discussed on these lines, it is essential to be clear as to the facts.

I am not going to attempt tonight to deal in detail with the charge that the administrative machine in India is unduly costly. That would require elaborate comparison with other countries and a mass of figures with which I do not wish to burden my speech tonight. But perhaps at this point, I, as one who brings an outside vision to bear on this subject, may be allowed to express the view that no country has ever had more devoted and self-sacrificing work, or, to descend to material grounds, better value for her money, than India has had from her Civil Services. Their standards of work among the people, started in days when justice was not so well understood as now, have been unique, and have set an example to the whole world. I believe that Honourable Members, whatever they may think of our shortcomings on these front benches as official members of this Government, will agree with me on the work done throughout the country. Moreover, if Honourable Members will trouble to compare figures for other countries, they will, I think, convince themselves that the administration of India has hitherto been carried out, on the whole, at a very low cost. But, as I have said, I cannot deal with this relative aspect of the question fully now. It might with advantage be studied by the proposed Retrenchment Committee.

52. What, however, may impress Honourable Members more directly is an examination of the actual facts of the case in India, for the purpose of demonstrating the scope of any saving which might be accomplished.

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In order to make the position clear, I have compiled certain figures which are of great significance. The figures are taken from the 1928-29 accounts, being the latest actual figures available when I made the calculation.

Taking the Civil Departments (exclusive of the Railways), the total pay of all the officials of Government, British and Indian, high-paid and low-paid, Central and Provincial, amounts to just under 57 crores. Of this sum, the Central Government's share is about 16 crores, and the Provincial Governments' about 41 crores. This total is distributed between gazetted officers on the one side and what are called 'establishments' on the other. The term 'establishment', as Honourable Members are aware, covers all the clerical and lower-paid staff. Roughly speaking, with a few exceptional cases, it may be said that this part of the staff includes posts with pay ranging to a maximum of about Rs. 500 per month. I may add incidentally that it also includes all the police, and the irregular levies employed in frontier defence, to which special considerations apply.

Taking these two classes, the total cost of establishments amounts to 41 crores, and of officers, British and Indian, Central and Provincial, all together, and including all leave pay, amounts to 16 crores, of which the Central Government's share is just under 4 crores and the Provincial Governments' just over 12. Incidentally, I may mention that out of this total the cost of British officers amounts only to about 6½ crores.

Now, if the total pay of officers, British and Indian, Central and Provincial combined, amounts to only 16 crores, it is clear that no practicable cut in this figure could produce a revolutionary change. If all salaries were cut by 10 per cent, the total saving for the whole of India would only be 1,60 lakhs of which the Central Government would get about 38 lakhs and the Provincial Governments about 1,22 lakhs, or not more than about 14 lakhs each. Even if this cut were multiplied to impossible percentages, it would not produce an effect which could really affect the fundamental financial problem, and it is clear that, if effects which are even worth considering are to be produced, drastic reductions right down to the very lowest ranks would be necessary. This would be a very difficult task for any Government to face and one which might produce hard results for the lower-paid men. It is clearly not a case for hasty action.

53. Having thus done something to demonstrate the scope of the problem, it is next necessary to clear our minds as to the nature of action contemplated.

A very clear distinction must be made between a review of conditions for future entrants and an alteration in the position of serving officials.

54. In the latter case too, a distinction must be drawn between cuts, on the one hand, in allowances or in portions of pay which, according to the terms of service, are variable, and, on the other hand, alterations in basic and fixed rights. Action of the former kind is easy, and when comparisons are made with other countries, I must point out that, in several cases at least, the action taken has been of this kind. We also, so far as variable allowances are concerned, are taking action, as I have already explained.

55. On the other hand, an alteration in the basic and fixed rights of serving officials is a step of an extremely grave nature. Even apart from

the constitutional rights of certain classes of officers, it would be, in a sense, a breach of contract, cutting at the roots of confidence in the good faith of Government, and likely to create a feeling of uncertainty in the public service which would be particularly detrimental at the present period of constitutional transition.

56. Apart from these considerations, there are others which stand in the way of hasty action by the Central Government.

The Central Government cannot take action alone. Quite apart from the constitutional responsibilities of the Secretary of State, it is also necessary to discuss the matter with the Provinces, for there must be uniformity of policy between the Central and Provincial Governments. Unless this is achieved, it is inevitable that great and justifiable discontent would be caused among the officials affected.

Again, it must be remembered that the future of the services—especially the All-India Services—is a matter of constitutional importance. It has already been considered by a special Sub-Committee of the Round Table Conference, and its consideration must be continued as part of the constitutional discussions.

57. I do not wish anything that I have said to be interpreted as meaning that we do not recognise that, in a case of national emergency, some sacrifice may be demanded from all concerned. We are also impressed by the fact that, at the present time, the prospects, on the one hand, of lower price levels and lower revenue, and, on the other, of the needs of an increasing number of officials under the new constitution, demand that policy on this question should be reconsidered with far-sighted vision.

58. For both of these reasons, some action is now called for, and what we propose is as follows:-

First, so far as concerns a sacrifice to meet the present emergency, we consider that this can be most fairly put upon all classes in the form of an increase in the income-tax—a measure which will not select the particular class of Government officials for bearing a special burden. When I come to my proposals under this heading, it will be clear to all that they do involve a sacrifice from all members of Government services, the severity of which I deplore, but which has been regulated as far as possible in proportion to their ability to make it.

Secondly, as regards measures for the future, it has been decided to hold a Conference on this subject in Simla, as early as possible after the Delhi session, with representatives of all the Provincial Governments, at which the possibility of revising the terms of service for new entrants into the services will be explored. The field for discussion at this Conference will of necessity be governed by the constitutional aspects of the question to which I have already referred.

59. The account which I have given of these matters shows, I think, clearly the general framework of the wider enquiries into which the work of a Retrenchment Committee of this Legislature—if this is appointed—will have to be fitted. Their recommendations will, in fact, have to be brought into relation with wider issues. But this will increase, rather than diminish, their importance.

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PROPOSALS FOR NEW TAXATION.

60. *General plan.*—I must now turn to my proposals for new taxation. In devising a plan to deal with the present situation, it is necessary, in the first place, to make some estimate of its nature. Can we say—It is a temporary emergency for which it will suffice to devise temporary expedients? Or is there a need for the permanent addition of new weapons to our armoury of taxation? The truth, I think, lies between these two views. On the one hand, one may say that, to a great extent, the situation is essentially abnormal and that, given a return to normal conditions, Central revenues, on the existing basis of taxation, might be adequate for the purposes of Central Government expenditure. On the other hand, we are not concerned merely with Central Government needs, and behind our own temporary emergency, there lies a permanent need for more resources for the reinforcement of the Provincial Governments' finances.

Therefore, of the new taxation proposed this year, my view is that some at least will be permanently needed, or at least cannot be abolished unless substitutes are found. This general idea will be found to underlie my proposals.

My plan for new taxation is all confined under the heads of Customs and Taxes on Income, for these are the only two sources ready to our hand for providing sums of the magnitude now required.

61. *Customs.*—I will deal first with Customs. My proposals fall into two distinct classes. I have first singled out a number of items on which it has seemed that the substantive rates can fairly be changed, and secondly, I am proposing a schedule of surcharges on other items. This distinction no doubt conveys a certain implication that the surcharges may possibly be less permanent than the other changes, but I do not wish to make too much of this. Future policy must inevitably depend on the revenue needs of the future. The heads in respect of which I propose alterations of the substantive tariff itself, are liquors, sugar, silver bullion, betel-nuts, spices and exposed cinematograph films. The *liquor duties* are to be enhanced appreciably; the duty on beer and the like is at present undoubtedly low relatively to those on other alcoholic beverages and will be raised by about 66 per cent. above the present level, while those on wines and spirits (except denatured spirit and spirit used in drugs and medicines) will be raised by between 30 and 40 per cent. As regards sugar, this is a special case which I must deal with separately. The duty on silver bullion I propose to increase from 4 to 6 annas per ounce. I must reserve for a later stage of my speech my remarks on our general policy as to our silver holdings. The other items mentioned will be transferred from the general rate of duty (now 15 per cent. *ad valorem*) to the "luxury" rate at 30 per cent.

62. Of the surcharges I shall not attempt in the time now at my disposal to speak in detail; we have at a stroke added to the 10 per cent. schedule a surcharge of 2½ per cent. to the general or 15 per cent. schedule one of 5 per cent., and to the "luxury" or 30 per cent. schedule one of 10 per cent. By far the most important of these surcharges is that of 5 per cent. on the general revenue schedule of 15 per cent., and connected with this, I must mention a feature of particular importance. We propose for this purpose to treat the basic duty of 15 per cent. on cotton piece-goods on

the same lines as the general 15 per cent. schedule and to place the surcharge of 5 per cent. on these goods also. The surcharge on the 15 per cent. schedule is expected to yield 90 lakhs for cotton piece-goods and 2,63 lakhs for other goods.

63. Coming now to the schedule of non-protective special duties, here we have made additions appropriate to the general scheme, and I need only mention specially the surcharges that I propose to levy upon kerosene and motor spirit. Both customs and excise duty on kerosene are to be raised by 9 pies per gallon, while motor spirit is to bear a surcharge of 2 annas per gallon.

64. *Sugar*.—Finally, I must explain my proposals as regards sugar. The case of sugar is a special one. I have included it in the list of items on which the basic rate is to be charged, but, in a sense, our proposal is actually in the nature of a surcharge. The position is special, because, while I am now proposing an increase in the duty for revenue purposes, we had received, just when my budget proposals were on the point of completion, the recommendations of the Tariff Board for the protection of sugar. Although I, as Finance Member, in bringing forward a Finance Bill, must look at the matter entirely as a revenue question, nevertheless, it would obviously be absurd for us to pretend that, with the Tariff Board's proposals in our hands, we can consider revenue measures with no reference in our minds to the plan for protection on which the Government will have to take a decision at an early date. At the same time, sugar duties cannot be permanently adopted as protective measures until they have been carefully examined by the Government and discussed, as protective measures, by the Legislature. My budget proposals must therefore be regarded purely as revenue measures which are, however, provisional in the sense that they may shortly have to take on a permanent protective aspect.

65. The Tariff Board's Report will. I understand, be almost immediately available to Honourable Members. In the meanwhile, I must explain what are their recommendations as regards sugar duties. Summarised, the Board's recommendations are:

- (1) A basic duty of Rs. 6-4-0 per cwt. on all classes of sugar, including sugar candy, to be imposed for 15 years.
- (2) An additional duty of Re. 1 per cwt. on all classes of sugar to be imposed for the first 7 years.
- (3) Power to be taken to add 8 annas per cwt. to the duty at any time if the landed price of sugar at Calcutta *ex-duty* falls below Rs. 4 per maund.
- (4) No protective duty on molasses.

66. Comparing these proposals with the present rates of duty, the position is as follows:

Leaving out of consideration, for the moment, the lower grades which are of minor importance, the Government would, if they adopted the Tariff Board's recommendation, have to raise the duty on sugar of 23 D. S. and over from its present rate of Rs. 6 per cwt. to Rs. 7-4-0, *i.e.*, to impose an additional duty of Re. 1-4-0 per cwt., while they would further

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have power to add an additional 8 annas per cwt., to the duty if the landed price at Calcutta falls below Rs. 4 per maund. I may say that at present the price is hovering just about this level.

67. So much for the Tariff Board's plan. My own proposals for revenue purposes had been very close to this, for I had actually contemplated an extra duty round about Re. 1 to Re. 1-8-0 per cwt. What I have now included is an increase of Re. 1-4-0 per cwt. on all grades of sugar. This, as I have said, must be regarded purely as a revenue measure pending consideration of the Tariff Board's recommendations. But Honourable Members will see that it is not inconsistent with those recommendations.

68. The combined effect of all these proposals as regards Customs duties will be to produce an additional revenue next year of 9·32 crores. We shall also obtain about 50 lakhs more from the increased import duties on galvanized pipes and sheets which the House discussed on 28th January last. This will raise the additional yield to 9·82 crores.

Incidentally, the new duties, which will operate from 1st March, and the increased duties on galvanized pipes and sheets, which came into force on 30th December, will add to our revenue for the current year a sum estimated at 88 lakhs, thus reducing the current year's deficit to 12·68 crores.

69. *Taxes on Income*.—I must now deal with Taxes on Income—the other head on which I must mainly rely for help to fill in the gap.

My proposals as to *income-tax* are as follows. The taxable minimum income for income-tax—Rs. 2,000—will not be lowered. The rate of tax on the lowest zone, up to Rs. 4,999 will be raised by 4 pies. The rates on higher grades up to Rs. 39,999 will be raised in some cases by 5 pies, in some cases by 6 pies, and in the highest of these grades by 7 pies. At present the highest rate is reached at Rs. 40,000. It is now 19 pies. I propose a rate of 25 pies on incomes from Rs. 40,000 to Rs. 99,999, and a maximum rate of 26 pies on incomes of Rs. 1 lakh and over. The estimated yield of these increases is 5·07 lakhs gross or, deducting 53 lakhs on account of increased refunds, 4·54 lakhs net.

70. In addition to this, I propose certain changes as regards *super-tax*. At present all assesses except Hindu undivided families are allowed a deduction of Rs. 50,000 in computing the income liable to super-tax. This will be lowered to Rs. 30,000 except for Hindu un-divided families and Companies, which will be allowed, as at present, a deduction of Rs. 75,000 and Rs. 50,000 respectively.

In the new zone, Rs. 30,001 to Rs. 50,000 the super-tax rate will be 9 pies. Above Rs. 50,000 the graduated scales will be increased by 2 pies throughout. The flat rate for Companies will be 1 anna as at present. These changes will yield, it is estimated, 46 lakhs. Thus the total estimated additional net revenue from Taxes on Income will be 5 crores.

71. In the Explanatory Memorandum will be found a statement which shows exactly how these proposals will affect income-tax payers at various levels of increase. Briefly, they will add an extra charge of about 2 to 5 per cent. on all incomes. The rates of additional tax have been so

adjusted as to produce, in the final result, an evenly graduated scale of burden increasing as the income increases, and this object must be borne in mind in interpreting our proposals.

72. *Final surplus.*—The total yield from the proposed changes in Customs duties and Taxes on Income thus amounts to 14·82 crores, as against which the gap to be filled is 14·51 crores, so that I am left with a small surplus of 31 lakhs.

73. *Possibility of grants for Sugar and Jute.*—From this balance I wish to preserve the possibility of making certain grants for beneficial purposes.

It is particularly the desire of the Government to support schemes for the encouragement of the sugar industry, and there are certain schemes which may shortly be put before us by the Imperial Council of Agricultural Research which may require a provision of 5 to 10 lakhs next year.

Then again, there is the question of the establishment of a Central Committee for Jute, which Government also are most anxious to promote. This matter is now under discussion between the Government of Bengal and the various jute interests in Calcutta. The financial basis of the plan would be that Government should make some reduction in the rate of the jute export duty, and legislate for a corresponding amount to be levied as a cess for financing the Jute Committee. The total sum contemplated as required for this is estimated at about 5 lakhs annually, and in order to enable the Committee to undertake useful work from the outset, the Government would be prepared to make a proportionate grant at this rate as soon as it is actually needed—pending the passage of the necessary legislation for the imposition of the cess. I mention this point in order to make it clear that the Government of India are anxious to see this Committee established as quickly as possible. It is for the various jute interests concerned to agree to the scheme which has already been worked out, and Government stand ready at any time to help financially.

74. In the case of both these possible demands, it would be necessary for us to ask the Assembly to approve supplementary grants. It has not been possible to include provision in the budget, because the demands are not yet before us.

75. *Need for averting another deficit.*—While mentioning the possibility of supplementary demands for moderate sums under these heads, I must also make clear that it will be necessary to maintain a very close financial control throughout the year. Our estimates are framed on sound and reasonable lines, but if internal disturbances continue, they are of course liable to be upset. Expenditure and revenue returns will have to be carefully watched, and, if conditions show signs of deterioration, it may be necessary to take *interim* measures to counteract that. It is vitally important to the financial stability of the country that we should not find ourselves at the end of another year with a large realised deficit.

76. *Plan of new taxation.*—That concludes my account of the measures for balancing the budget, but before I turn to explain our borrowing programme and the ways and means position, I wish to make certain general observations on the whole plan of new taxation.

77. *Customs.*—As regards the customs proposals, I trust that these will, on the whole, receive commendation from this House. They involve, of course, a substantial addition to the cost payable by consumers; but as against this, I would point out that prices are low and that it is just for this

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very reason that additional percentages in our duties are necessary. Although the rates are enhanced, we shall not in fact be raising more in this form of taxes than was to be expected as the yield from Customs at the old rates in a normal year, while, as far as Indian industry is concerned, the general effect of the new duties should be beneficial.

78. *Silver*.—It is necessary for me to make special reference to the proposed increase in the tax on silver because this has a general bearing on the whole question of our policy in relation to silver and its effect on the world position.

79. The increase of 2 annas an ounce which we are proposing is estimated to produce 75 lakhs from the import duty and 7 lakhs from the excise or 82 lakhs in all. In itself it is a clearly justifiable form of raising revenue as part of the general plan designed to meet the situation which confronts us this year. The only possible objection to it might be based on broader grounds, that is to say, on a fear that it might tend to check consumption of silver in India and thus further weaken the price of silver to the disadvantage not only of India but of the whole world. We have given the fullest weight to this consideration, but with the very moderate increase in the duty which we now propose, we do not think that the fear is justified. Similar apprehensions were expressed in certain quarters last year when we imposed the duty of 4 annas. But although this weakened the price for a few days, the market almost immediately recovered, and in spite of the duty and of the great decline of India's purchasing power, the consumption of silver in the current year is keeping up to the normal level. In fact, we anticipate a consumption, taking all sources of supply into account, of between 100 and 110 million ounces.

India's consumption should not therefore this year be seriously affected by the increased duty, while, as regards helping to maintain the price of silver, we are prepared to consider action in other ways.

80. *Steps to maintain price of silver*.—I announced in my budget speech last year that the Government of India would be prepared to co-operate with other silver interests if any practical scheme could be devised for controlling the production of new silver and the sale of new and existing stocks. Unfortunately, the only response to my offer has been on the lines indicated in certain utterances which have appeared in the press by representatives of the main producing interests in America. In general, these gentlemen propose that their own production of new silver should remain unrestricted, but that Governments and others who hold large stocks of silver should refrain from realising their holdings, and leave the world's markets free for the new production. Now, whatever criticisms non-official Members in this House may have made in the past on our policy of selling silver, I am sure that they would not expect the Government of India to part with the country's rights by acceding to any such one-sided arrangement.

81. The demand that the Government of India should refrain from selling is, indeed, an astonishing proposition when the facts are studied. For, in fact, the whole world depends on India as a consumer. In the five years ending March 31, 1930, India absorbed about 540 million ounces of silver or 108 million ounces per annum. According to present indications, her absorption, even in the current year, will be up to this average, so that

the total absorption in 6 years will be about 650 million ounces. As against this, the Government of India have sold out of their own holdings a total of only about 90 million ounces since 1926. Yet it is suggested that even this moderate realisation is to stop, and that India is to stand aside and keep her own home market free to absorb the production from the mines of Mexico and the United States. This is clearly an unacceptable idea, and however anxious we may be—as indeed we are—to help, we must, as a condition of co-operation, secure fair consideration of India's interests. In the meanwhile, we must retain a free hand.

82. We must also ask ourselves whether co-operation is likely to lead to the desired result. The more I study the matter the more convinced I am that the fall in the price of silver is part of a much wider movement, and the more doubtful I become whether silver can be dealt with successfully in isolation. The fall in silver prices, in fact, has not really been out of relation to that in the case of other metals. Taking the price, of silver, tin, lead, spelter and copper on March 31, 1926, and treating these prices as 100, the figures for the various metals at the end of January 1931 were 46·3 for silver, 41·4 for tin, 44·8 for lead, 38·1 for spelter and 78·1 for copper. Therefore, with the sole exception of copper, all these metals had fallen more than silver. Without going into further details, these facts alone indicate that, although a fall in silver prices may have wider *results*—owing to its currency uses—than a fall in the prices of other metals, nevertheless, the *causes* of that fall may be the same. Any action which does not touch the *causes* of the disease is hardly likely to provide a sound remedy. The conclusion to which this leads me is that, if there is to be an international Conference of any kind for dealing with silver, it would be of far greater value to the world if it could also deal with all those other factors in the present world situation which might be affected by international co-operation. I believe that such international co-operation is needed, and that India can play a very important part in it. But the development of this idea would take me into a wider sphere than I can traverse to-night. I hope to find other occasions for its discussion.

83. *Taxes on Income*.—As to the income-tax proposals, I wish to make clear that we regard these very specially as measures designed to meet the present emergency, but not necessarily permanently required. Certain features, indeed, may be permanently retained, such as the adjustments in the grading of income-tax, and the reduction of the super-tax level, but, in the main, I would ask that these proposals should be regarded as a temporary measure, a provisional defence thrown up to meet the present need, behind which the situation can be studied and more permanently consolidated. We want during the next year to consider, first, whether we have to face a permanent reduction in our general revenues due to a permanent lowering in prices all round, and whether, as a result of this, there is any means for permanently reducing the cost of Government; secondly, how our plans for distribution of revenue to Provincial Governments under the new constitution can be fairly adjusted; thirdly, whether any alternative methods of raising revenue can be devised which will be less hampering to the economic life of the country. These are some of the main questions which have to be studied before it can be said that taxes on income must be retained at these rates.

84. In the meanwhile, the proposals represent, as I have already stated, a sacrifice to be imposed, in order to meet the present emergency, on all the monied classes of the country, and falling especially with unerring aim

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and full weight on the whole class of Government officials. So far as these officials are concerned, the increased levy operates as a cut in salaries. I do not, however, attempt to conceal the fact that, by achieving such a purpose in this way, the Central Government is in a sense benefiting at the expense of the Provincial Governments, and, for this reason, our earnest attention will be required during the forthcoming year to devise measures for some other means of adjusting the position.

85. I must, at this stage, mention two other measures as regards income-tax which are under consideration by Government.

86. *Carry-forward of business losses.*—In the first place, there is the question of allowing assesseees to set off against business profits losses incurred in preceding years. I explained in my last budget speech that, if the revenue position made it possible, it was our intention to make a start in the introduction of such a provision—but that we had to be guided not so much by considerations of principle as by the practical conditions as regards revenue. It would mean a substantial loss of revenue, and the question for us is whether the country can afford it. Unfortunately, we cannot at present rely on having any margin for sacrifice, while there are certain practical considerations affecting the immediate introduction of such a measure which have special force just now. If the principle were to be introduced next year by allowing losses incurred on the current year's assessments to be carried forward, we should be starting at a very bad moment, for there must have been an exceptional number of cases of trading at a loss this year. At the same time, it is probable that no immediate benefit would be felt by those concerned. Assessments for the current year are based on results of 1929-30. Assesseees who incurred a loss during that year are not very likely to have made any profit during 1930-31, so that they would have no margin from which to obtain relief on next year's assessment. On the other hand, looking further to the future, if the principle of carrying forward losses were gradually extended up to 3 or 6 years starting with 1929-30, we should be imposing a heavy burden to be made up whenever a recovery in trading conditions takes place. That would be severely felt in the early years of the new constitution and would affect the amount which can be spared from Central revenues for the relief of the Provinces. Honourable Members will, I feel sure, appreciate our reluctance to impose such a burden on the future constitution, even if we could afford the immediate loss which, according to present estimates, we cannot do.

87. In these circumstances, we feel that there are two conditions which must be satisfied before we can take action; first, the revenue position must show signs of improvement, and secondly, we must be assured that public opinion, after fully appreciating all the implications, is definitely in favour of such action. As regards the second of these conditions, I shall be glad if Honourable Members would take occasion to express their views on this matter in the course of debate.

88. *Taxation of foreign incomes.*—The second point on which I wish to speak is this. It has for some time been apparent that there is a serious lacuna in the existing provisions for taxing income from foreign investments. In fact, our law affords a direct incentive to investors to place their money in foreign securities for the sake of avoiding income-tax.

89. I need not now go into any detailed explanation of the position—which is, indeed, well known—I will only say that we intend to introduce legislation this session for the taxation of income from foreign investments on the lines of the law now prevailing in the United Kingdom. This legislation, if passed, may bring in some additional revenue, but I have not made any allowance for this in the budget estimates. Our primary purpose will be to remove an incentive towards the export of capital which is extremely detrimental to Indian interests.

WAYS AND MEANS.

90. *Summary.*—I will now turn to a review of the ways and means position for the current year and the next, which I may preface with a summary in the usual form:

		(In crores of rupees.)	
		Revised, 1930-31.	Budget, 1931-32.
<i>Liabilities.</i>			
Railway capital outlay (construction)	.	14.50	11.45
Other capital outlay	.	3.53	1.93
Provincial drawings	.	11.50	9.50
Discharge of permanent debt (net)	.	18.88	29.54
Discharge of India Sterling Bills	.	8.00	..
Contraction against rupee securities	.	28.92	..
Other transactions	.	.76	—18
		<hr/> 86.09	<hr/> 52.24
<i>Resources.</i>			
Revenue surplus	.	—12.68	.31
Rupee loan (net)	.	29.71	15.00
Sterling loan (net)	.	35.64	24.76
Treasury bills with public	.	8.96	..
Loan from Imperial Bank	.	5.40	—5.40
Post Office cash certificates and savings bank	.	2.46	4.06
Other unfunded debt	£.	2.46	5.64
Appropriation for reduction, etc., of debt	.	5.00	6.17
Depreciation and Reserve Funds	.	—5.92	.98
Reduction of cash balances	.	15.06	.72
		<hr/> 86.09	<hr/> 52.24

91. *Current year.*—In the budget for 1930-31, I estimated that a loan of 23½ crores in India, together with borrowings in London to the extent of £6 millions would enable Government not only to meet the excess of disbursements over receipts but also to reduce the amount of treasury bills outstanding in India by 4 crores. The position now is that in spite of a loan of 29.71 crores in India and sterling borrowing amounting to £31 millions (details of which I shall explain later), it is estimated that the amount of treasury bills outstanding with the public in India at the end

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of the year will be 45 crores, i.e., 25 crores in excess of the amount shown in the budget. The total real deterioration is therefore nearly 64½ crores. The main reasons for this exceptionally large deterioration are :

First, the increased demands for finance made on the Government in their capacity as bankers for the Provincial Governments and the Railways.

Secondly, diminished receipts from Savings Bank deposits and Post Office Cash Certificates.

Thirdly, the deficit on the Central Government budget.

And, lastly, the effects of the withdrawal of redundant currency from circulation by contraction.

I will explain these factors more fully.

92. *Demands on the Government as bankers for the Provinces and the Railways.*—The Government of India are bankers and financiers to the Provincial Governments and the Railways, and this capacity involves a large additional strain on the Government resources in times of stress. Owing to the unfavourable economic situation and the political disturbances, *Provincial Governments* have to face a serious diminution in revenues and the probability of considerable additional expenditure on the relief of agricultural distress. It is anticipated that their requirements will exceed by 3½ crores the budget estimate of about 8 crores. As the House knows, the finances of the *Railways* have been more seriously affected. They will draw 9·65 crores more than was anticipated.

93. *Post office Cash Certificates and Savings Bank deposits.*—The receipts from these sources have also been seriously affected by general conditions. Since the 15th September, when the yield on Post Office Cash Certificates was increased to 6 per cent., sales have shown a welcome increase, but encashments are still heavy and withdrawals of Savings Bank deposits, which have been considerable in past months, still continue. It is therefore anticipated that receipts from these two sources will be 3·74 crores less than the budget estimate.

94. *Budget deficit.*—As I have already explained, the estimated deficit of 12·68 crores will remain uncovered and will be an addition to the unproductive debt. As the budget provided for a surplus of 86 lakhs, the total worsening in the ways and means position on this account comes to 13·54 crores.

95. *Contraction.*—Lastly, I come to the operations of Government as currency authority which have inevitably had an effect of great magnitude on the ways and means position this year. In my last budget speech I explained how falling prices and trade depression necessitate contraction of the currency, and how in India, where Government are the currency authority, such contraction adversely affects the ways and means position. The universal fall in prices which began in 1929 has continued throughout the year. The ebb in the world trade has been exceptionally large, while, in India, political disturbances have led to further restriction of commercial activity. Government have, therefore, as part of their normal duties as currency authority, been obliged to continue the withdrawal of redundant currency from circulation, and between 1st April and 7th

February have effected a contraction of about 36½ crores. The return of silver rupees from circulation amounting to about 17½ crores has counter-balanced to a large extent the contraction against securities and gold, the net result being that the note issue on 7th February amounted to 159 crores as against 177 crores on 1st April.

96. It is of course only the contraction against rupee securities which affects the ways and means position, and this is seen in the substitution of treasury bills issued to the public for treasury bills issued to the Paper Currency Reserve, or, in other words, the substitution of interest-bearing obligations to the public for obligations in the form of currency notes. The contraction against rupee securities during the current year has amounted to 29 crores and contraction of 5 crores not provided for in the estimates was effected in March 1930. The resources of Government have, therefore, been depleted by 34 crores on this account. In this connection, it is worth noting that the increase in the estimated amount of treasury bills outstanding with the public at the end of the year is 9 crores less than the amount of the deterioration in the ways and means position due to contraction.

97. The four headings which I have now explained account for practically the entire deterioration of 64½ crores with which I started.

98. *Next year.*—The ways and means programme for next year is necessarily tentative and subject to modification in the light of the actual circumstances which may arise. As the House knows, the Railway capital expenditure has again been drastically reduced, the provision for 1931-32 being 11.45 crores compared with 16.75 crores in the current year. As regards the Provinces, their borrowing programme has also been rigidly controlled so far as new works are concerned, but, in present circumstances, they have certain unavoidable financial requirements. Provision for their demands has, however, been reduced from 11½ crores anticipated this year to 9½ crores. With this reduced provision for Railway capital expenditure and for the Provinces, I estimate that the total amount of new money required will be 7½ crores only. Assuming that all this new money required is raised in India, and that 7½ crores of 6 per cent. 1931 Rupee bonds are converted, a total loan of 15 crores only would be required. So far as sterling operations are concerned, I assume that the £15 millions outstanding from the 5½ per cent. 1932 loan maturing in January 1932 will be converted. Given normal conditions as regards borrowing and remittance from India, no further sterling loans will be required. But this, of course, will be dependent on the conditions to which I have referred.

99. The estimate which I have just given for the borrowing required in India, assumes that the amount of treasury bills outstanding at the end of the year will be the same as at the beginning, *viz.*, 45 crores. I hope, however, that conditions will be sufficiently favourable to enable Government to fund a portion of this floating debt, and as far as I can see at present, there should be no difficulty in accomplishing this without disturbing the market for Government securities.

100. *Home charges.*—In my general review of the financial position to which I shall shortly turn, I shall have to refer to the fact that a substantial export of capital has characterised the period through which we are now passing. This export, occurring at a time when normal

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trade is depressed, has seriously curtailed the ability of the Government to make remittances through the market and funds have been obtained in London mainly by sterling borrowing. £19 millions were obtained by the issue of 6 per cent. sterling bonds in May and October, while the recent issue of $5\frac{1}{2}$ per cent. sterling bonds will provide £7·8 millions during the current year, the last instalment of the subscriptions on this loan being payable only in April. In addition, £6 millions were borrowed from the Imperial Bank of India in instalments in July and August and repayable between January and April. Instalments of £3 millions from this loan falling due in January and February were renewed for three months, but the remaining instalments will be repaid from the proceeds of the $5\frac{1}{2}$ per cent. sterling bond issue, the net result being that £4 millions of the loan will be outstanding at the end of the year. On the other hand, £6 million India bills falling due in December were repaid. The net sterling borrowings during the year will, therefore, have been nearly £25 millions. This amount, together with the purchases of sterling already made, viz., £5,395,000. will enable the Secretary of State to close the year with a balance of £4·8 millions. For next year, assuming that £15 millions outstanding on account of the $5\frac{1}{2}$ per cent. 1932 loan are converted directly or indirectly, I estimate that the net requirements of the Home Treasury will be £93½ millions inclusive of £2·4 millions for Railway capital expenditure. With a reversion to normal conditions in the political sphere, and a restoration of confidence in the future stability of India under the new constitution, there should be no difficulty in obtaining this sum by remittance through the market. The future in this respect lies really in the hands of responsible Indian leaders.

REVIEW OF CURRENCY POLICY.

101. Before leaving this subject, I feel it necessary to put before the public a general review of the Government's currency policy, and its effects on the financial situation.

102. Much misapprehension exists in the public mind on these questions. The main charges which are made against the Government are that their currency policy has, first, by excessive contraction created a shortage of currency in the country producing a fall in prices; secondly, resulted in the Government incurring a heavy floating debt with serious loss to revenue; thirdly, increased the difficulties of the business world by the artificial creation of dear money; and fourthly, reacted on the credit of India and led to costly sterling borrowing.

103. *Contraction justified.*—I wish to deal with all these charges and to explain in very elementary terms (for which those who are experts of this subject must excuse me) the manner in which our duties as currency authority have unavoidably reacted unfavourably on our financial position. I will take them in order beginning with the charge of contraction. Here I must at the outset, emphasise two points:

First, that the reduction in the volume of currency in circulation is by no means excessive, having regard to the fall in price and the diminished money value of business transactions.

Secondly, that India plays a minor part in the world action affecting prices. India is not a large enough factor to be able to

take the lead in international economics, and the level of prices in India for all commodities which are handled in international trade must follow world prices. Our contraction, therefore, has been a necessary consequence of, or sequel to, the fall in world prices. It cannot be regarded as a *cause* of that fall. If we failed to regulate our currency policy in such a way as to keep internal prices in India on a parity with world prices, it would mean the establishment of an inflationary position in India, which would upset the balance of trade by encouraging imports and discouraging exports, and lead inevitably to a loss of India's gold reserves. This is elementary.

104. Now, as to the extent of our contraction, I believe that an impartial observer, far from saying that this has been excessive, would be more likely to take the contrary view and criticise Government as currency authority for not having contracted currency sufficiently. It is not easy to prove this assertion by precise figures because so many factors have to be taken into account, but the following calculations bring out the main consideration and afford striking general support to the thesis which I have stated.

105. According to the evidence tendered to the Currency Commission, the amount of rupee coin outstanding on the 1st April 1926 was 350—400 crores of which 77 crores were held in the Paper Currency Reserve, while the note issue on that date amounted to 193 crores. The total amount of currency in circulation at that time therefore, taking notes and silver currency together, was somewhere between 466 and 516 crores. Between 1st April 1926 and 31st December, 1930, the return of rupees from circulation amounted to about 64 crores, while the note issue on the latter date was 161 crores, so that the total amount of currency in circulation was about 370 to 420 crores. That is to say, since April 1926, there was a reduction of 18 to 20 per cent. In the same period the Calcutta index number of wholesale prices fell 31.5 per cent., that is to say, from an average of 148 in 1926 to 101 in December 1930. The percentage reduction in the amount of currency in circulation is therefore small in comparison with the percentage reduction in prices.

106. This, then, is my answer to the first charge:

The contraction effected by the Government has been an essential sequel to the fall in world prices, and it has not been carried to an excessive extent.

107. *Deterioration in financial returns inevitable.*—I now come to the second charge. This is no more than a complaint about what in fact is an inescapable result. For it is unavoidable that contraction of currency should have an adverse effect on Government finances when the Government are the currency authority. The Government, by putting into circulation coin or notes, make thereby a profit. For they have the use of, or get the credit for, currency which cost them much less than the face value of the currency produced, and are able to save or earn interest on this money. The Government thus get the benefit, in the case of coin, of the difference between its face value and its bullion value, and, in the case of currency notes, of the currency value less the cost of printing the notes. To the extent that currency has to be contracted, the Government inevitably lose this benefit. Thus they suffer not an absolute loss, but a diminution in the profit which they would otherwise make as currency authority if more notes and silver currency were in

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circulation. The effect is seen in the form of, on the one hand, a drop in the amount of treasury bills held in the Currency Reserve, the discount on which comes back to the Government as currency profits and on the other hand, an increase in the treasury bills held by the public, on which, of course, the discount goes to the public. My answer to the second charge therefore is this—*The deterioration in the Government's financial returns is inevitable if the volume of currency in circulation has to be reduced.* It is no use blaming the Government for what is called their "ruinous policy." Government have no choice in the matter if they are to perform their first duty as currency authority—the duty of maintaining stability of the currency.

108. *Policy of dear money forced on Government.*—I now come to the third charge. As to this I venture to assert that the following is a true appreciation of the position. While contraction of currency has been the normal sequel to the fall in world prices, there would have been no necessity for maintaining rates of interest in the money market at such a high level if there had not been present other reasons of a nature special to India. I must say something of these special reasons. The disturbance created by the civil disobedience movement, combined with the general uncertainty as to the political future of India and the effect of constitutional changes, has created a general feeling of nervousness among Indian investors and caused a considerable flow of capital from India. It is impossible to obtain even approximate figures of amount of capital exported, but an examination of the trade figures and the Government remittances gives some idea of its magnitude. The visible balance of trade in favour of India for the nine months April to December 1930 was 34.43 crores as compared with 41.62 crores in 1929 and 39.76 crores in 1928. This figure is, in all the circumstances and having regard to the abnormal fall in the world prices for India's exports, remarkably favourable. On the basis of this balance of trade, it would have been legitimate to expect that, even in this bad year, Government would have been able to effect large remittances to London; but the actual facts are that during the last three months, Government have had to make considerable sales of sterling to meet demands for private remittance and these sales have practically balanced purchases made earlier in the year. This phenomenon must be ascribed almost entirely to export of capital, partly movement of real investment money and partly speculative remittance due to apprehensions regarding the financial stability of India. Now, this is a process which the Government of India, both in order to maintain stability of currency and in the general interests of India, are bound to fight. And this they have done. In order to check this export of capital and attract money to India for investment, they have taken the measures which the currency authority of every country is bound to take in similar circumstances in order to maintain the value of the currency; that is to say, measures designed, on the one hand, to make it difficult to obtain rupees for conversion into foreign currency, and on the other, to make it attractive for foreign funds to seek employment in India. With this object Government have had to maintain interest rates at a higher level than would otherwise have been necessary, and have had to draw surplus funds off the market by issue of treasury bills at expensive rates. This policy has, of course, inevitably, not only had an adverse effect on Government finances but has also reacted unfavourably on private traders;

but it has been forced on the Government by those private interests who, for various reasons—nervousness as to India's future or the desire for speculative gain,—are sending money out of the country.

109. *Cost of borrowing governed by political factors.*—This brings me lastly to the fourth charge which is closely connected with that which I have just discussed—the charge that this policy has depreciated India's credit and led to costly borrowing—particularly sterling borrowing. It is, of course, true, as a general proposition, that high rates in the money market have a tendency to depress the price of Government securities. But this is no more than a general tendency, and in the case of India, high rates for short money this year have certainly not been a major factor in the security market. Though money rates in India have been high in relation to the rest of the world, they have been no more than normal for the busy season in India. The experience of recent years shows clearly that, with an effective bank rate of 7 per cent., the long term Government securities may quite well be selling on a $4\frac{1}{2}$ per cent. basis. Money has only been tight for short periods this year, and we must look elsewhere for the main cause of the decline in Indian securities. Their prices have, in fact, been governed almost entirely by political factors. It is of course inevitable that, with great but uncertain constitutional changes hanging over the whole position, the price of securities should fall. Rupee securities in India must, in the main, move in relation to London prices, and the London business world dislikes uncertainty above all things. It need not necessarily mean distrust in those who may be responsible for working the new constitution, but rather a fear of the unknown and a feeling that the new machine must prove itself. On top of this, however, the effect of uncertainty has been enormously increased by some of the aspects of the civil disobedience movement. I do not wish to dwell on these matters to-night, nor do I share the general lack of confidence in the future, but it is perhaps not unreasonable to ask those who resent it to realise that the changes now under discussion are sudden and vital and that the outside world must get accustomed to new ideas, and, in the meanwhile, demand some proof or guarantee for the new order.

110. *Safeguards.*—If, for these reasons, safeguards are proposed, their object is the maintenance of confidence and credit until the new order has proved its stability. In these circumstances, the best service that representative Indians can render to their country is to convince the world that safeguards will never have to be called into play, and this they can best do by joining us in a common effort to work out means both for solving the problems of the immediate future and for effecting, without shock or weakening, the coming change in the foundations on which the whole structure of Government depends.

111. In the meanwhile, we who bear the present responsibility can do no more than carry out our task with honest purpose and fixed determination. If that common effort to which I have just referred could be made, many of India's present difficulties would disappear. I believe that, if we could restore trust in the future, investors would regain confidence, the movement of capital would stop, further borrowings in London would become unnecessary, securities would rise, and India could enjoy, with the rest of the world, that help which cheap money can give to commerce and industry. All this lies rather in Indian hands than in ours.

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112. *The ratio question.*—At this point there will, of course, occur to many the well-known argument that it is only because the Government are maintaining the so-called “unnatural ratio” of 1s. 6d. that all these difficulties are being felt. I have no time to enter fully to-night into that old controversy; but there are some points which I must emphasise.

113. Every single one of the steps which we have had to take this year in the way of contraction of currency to meet the fall in world prices would have been equally necessary in order to maintain stability of exchange, whatever the level at which the ratio had been fixed. If the rupee had been stabilised at 1s. 4d. in 1926, the present fall in world prices would have been felt in India with exactly the same severity, and similar contraction of currency would have been necessary. Those who, in order to avoid such steps, and to *meet present difficulties*, are pressing for a change in the rupee ratio, are really asking (although they do not always realise it) not for a mere change from 1s. 6d. to 1s. 4d. but for a completely unstable currency as opposed to a currency stabilised in relation to gold.

114. Whether, if exchange had in the past been stabilised at 1s. 4d., the speculation and the export of capital to which I have referred would have been any less, is a question which I must leave to others to argue.

It is a barren speculation, for we are not concerned with what “might have been,” but with the practical question: “What ought we to do now?”

115. On the answer to that question I can feel no shadow of doubt. I can imagine no course more fatal to India's financial well-being than to make a change in the currency system now. To those who urge this course I would say—Realise what you are doing. There is no question now of choosing between 1s. 6d. and 1s. 4d. It is a choice between a stable currency and complete instability. If once the country, having adopted stability and accepted a statutory obligation, repudiates that obligation in order to meet difficulties of the moment, what confidence can any one have in the future that such a step will not be taken again? You could not thereafter maintain stability. Do the Indian public really want a completely unstable currency? I am certain they do not. I am certain that, if that choice was made clear to them, they would reject it, and I am certain that they would be right in doing so. In any case, it would be madness to risk a change amidst all the present uncertainties, when the old foundations on which the present India has been built up are to be withdrawn, and when the economic crisis is unsettling the whole world. It would be nothing less than a breaking away of the ship from its anchorage and letting it drift all unprepared into the storm. In saying all this, I am only repeating what I have often said before. I repeat it because the new circumstances have not lessened our duty to defend the position in India's interests. They have rather made it stronger. That defence must be continued; but if we could achieve that common effort of which I have spoken, it would be possible to divert the energy and resources which must now be expended in mere defence, into a constructive programme for the benefit of trade and of the economic life of the country which so badly needs it.

CONCLUSION.

116. I fear that I have detained Honourable Members very long in giving this review of the present position and my proposals for the future.

In conclusion, I would wish shortly to summarise the position as I see it and to consider how we stand and where we are going.

117. Confronted with a large deficit, we have made proposals which are, I venture to claim, adequate to meet the present situation, and which, while fairly distributing the burden which it is necessary to impose, may have some results not unpropitious for the development of Indian industry. But the work must not stop there nor can we rest satisfied that permanent provision has been made for the future. The present situation must, as I have already said, be kept under close control during the year, while, as to the future, that demands not merely that we should balance the Central Budget, but that we should provide a margin for distribution to the new Provincial Governments. Even if we have met the needs for the moment, there lies before us a mass of questions needing early investigation and action. The main task falls under three heads—the development of new sources of revenue, the reduction of expenditure wherever waste can be eliminated, and the formulation of a constructive policy to help the economic productivity of the country.

118. As an example of new sources of revenue which demand special study, I would specially refer to the consumption of tobacco, the consumption of matches, and possibly also death duties. If we examine the fiscal systems of European countries, we find that, in almost all cases, great reliance is placed on these sources of revenue. In India, however, they play practically no part.

119. As regards tobacco, I may take this opportunity of expressing my appreciation of a very valuable Memorandum which I have received from the Chairman of the Bengal National Chamber of Commerce, containing a study of the operation of a tobacco monopoly in other countries and suggesting the introduction of such a system in India. This is a matter which has often been considered, but never, I think, pursued to the end, and we are now consulting Provincial Governments, as to setting up a special Committee to study the question this year.

120. Then as regards matches. The question of imposing an excise duty on matches is also no new one. But, for various reasons, until there can be established some form of economic union between British India and the Indian States, providing for joint action on such matters, this source cannot be developed to produce important sums of revenue. The possibility for such joint action will, I hope, be provided under the Federal constitution for India which has now come within the horizon of practical politics. Pending the achievement of this, we are studying the practical possibilities.

121. I have mentioned these two cases in order to show that we are actively studying possibilities on the first of the three main heads of action—the development of new sources of revenue.

122. As to the second—the reduction of the scale of expenditure,—I have already explained what is to be done—the appointment of a Retrenchment Committee for the Central Government—the appointment of a special Committee for Posts and Telegraphs—the action contemplated by the Railways—the holding of a Conference with Provincial representatives to consider the question of future rates of pay—and, combined with all these, the continuance of the constitutional discussions.

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123. As to the third heading—a constructive policy to help the economic development of the country,—this is so wide a subject that it is more difficult to define exact proposals. At the moment, and for the sake of attaining immediate results, world conditions are of such dominating importance, that some kind of international action seems necessary. I have already made some reference to this possibility in dealing with silver. I believe that India could play an important part in such international action. If we turn from that to consider our domestic possibilities, the greater part of the field of action lies with the Provincial Governments, but I myself hope that the Banking Enquiry Committee, whose Report should now shortly be available, may open up for us in the Central Government some lines of action. Connected with the subjects with which the Banking Committee are concerned, are two which have always seemed to me to be of dominating importance for India—the proper organisation of the marketing of Indian agricultural produce and the development of the co-operative movement. I can merely mention these—there is no time now to develop all that is to be said about them. Apart from the Banking Committee's recommendations, there are several matters now before us—the Tariff Board's Report on Sugar, the creation of a Central Jute Committee, and the Tariff Board's Report on Salt, while Honourable Members are also aware that we have been studying the question of setting up an organisation for the better study of economic questions. As to this, we hope to receive Sir Arthur Salter's Report in the course of the next few weeks, and to publish it immediately.

124. All these measures represent small parts in the task which lies before India in this matter. We in the present Government appreciate the task, but I would ask the public also to appreciate our special difficulties at the present juncture. We are in a sense in the position of managers of a business, for which a change of management is under discussion. On the one hand, whatever steps we take now will affect the position of our successors; on the other hand, the value of the steps which we may take depends on how far our successors will be guided by those principles on the maintenance of which the success of any policy depends.

The transfer of management cannot be immediately effected, and upon us rests the responsibility of carrying on during the period of preparation for such transfer.

125. In such circumstances, in the case of a business, if I may continue that analogy, the parties concerned, if they were upright and sensible men, would surely say: "We must co-operate during the period of preparation."

I can hardly imagine that, in such circumstances, the new proprietors would say: "Those whom we are succeeding are our enemies. We will try to trip them up at every turn and make their conduct of the business a failure."

126. Such co-operation is particularly necessary just now, for the business which is to be transferred is having to face very adverse world conditions and to go through very difficult times. Moreover, the very anticipation of the transfer is affecting its credit; because the world has not

yet had the opportunity to gain confidence in the new managers. The simile which I have used gives, I think, not an untrue picture of the present position, and I hope that my words may cause the public and particularly the leaders of commercial opinion in this country, to ponder on what it means to all of them.

127. Speaking for myself, my main pre-occupation is to run the business well while I am responsible for it, and to hand it over in sound condition with no hidden weaknesses and with credit unimpaired. But that is merely the negative or defensive side of policy. The active and constructive side—the preparation for future development—must also be considered. Perhaps Honourable Members, truly interpreting these remarks which I have made, will be able, in the course of the debate, to suggest means and methods for that co-operation on which, in the conditions which now surround us, the welfare of India, for all the future which we can foresee, may possibly depend.

128. Sir, I have done. I will not attempt any rhetorical peroration, but merely say this. I have tried, in these proposals, to measure the needs fairly and to meet them fully, guided above all things by the purpose of handing over a sound business to my successor. (Applause.)

THE INDIAN FINANCE BILL.

The Honourable Sir George Schuster (Finance Member): Sir, I move for leave to introduce the Indian Finance Bill, 1931.

The motion was adopted.

The Honourable Sir George Schuster: Sir, I introduce the Bill.

The Assembly then adjourned till Eleven of the Clock on Monday, the 2nd March, 1931.



LEGISLATIVE ASSEMBLY.

Monday, 2nd March, 1931.

The Assembly met in the Assembly Chamber of the Council House at Eleven of the Clock, Mr. President in the Chair.

MEMBERS SWORN:

Diwan Bahadur A. Ramaswami Mudaliar, M.L.A. (Madras City: Non-Muhammadan Urban); and

Mr. Hattiangadi Shankar Rau, M.L.A. (Government of India: Nominated Official).

QUESTIONS AND ANSWERS.

POLITICAL SECTION OF THE HOME DEPARTMENT.

726. *Sardar G. N. Mujumdar (on behalf of Mr. Nabakumar Sing Dudhoria): (a) Will Government be pleased to state when the Political Section of the Home Department was created?

(b) What is the nature of the work it deals with?

(c) What is the numerical strength of that section?

(d) What extra expenditure has been incurred on account of it since its initiation?

(e) How long is the section expected to continue?

The Honourable Sir James Crerar: (a) A separate section was established in 1907, but the subjects with which it deals were previously the concern of the Home Department.

(b) Political movements, communal disturbances, publicity, passports, foreigners, etc., in so far as they come within the purview of the Home Department.

(c) The total permanent strength is nine.

(d) and (e). It is a permanent branch of the Home Department establishment and no extra expenditure is incurred on it except when the exigencies of work require the addition of temporary men.

EXPENDITURE INCURRED ON THE MOVE TO SIMLA.

727. *Sardar G. N. Mujumdar (on behalf of Mr. Nabakumar Sing Dudhoria): (a) Will Government be pleased to state the amount of annual expenditure involved owing to their move to Simla?

(b) Is it a fact that this move is going to be abolished or at least restricted?

(c) If so, when, and how?

(d) If not, are Government prepared to consider the total abolition of that move?

The Honourable S'r James Crerar: (a) The Honourable Member will find the requisite information in the reply given by the Honourable Mr. Haig to part (i) of unstarred question No. 107 asked by the Honourable Mr. Surput Sing in the Council of State on the 25th March, 1930.

(b), (c) and (d). The Honourable Member is referred to the answer I gave in the Legislative Assembly on the 11th February, 1931, to parts (e) and (f) of Mr. T. N. Ramakrishna Reddi's unstarred question No. 174.

Mr. B. V. Jadhav: May I know what is the duration of the stay in Simla?

The Honourable Sir James Crerar: That varies to a certain extent according to the state of work and various other considerations.

Mr. B. V. Jadhav: What is the longest stay and what is the shortest?

The Honourable Sir James Crerar: I am afraid I cannot give the precise figures and I must ask the Honourable Member to give me notice.

DEPARTMENT TO SAFEGUARD THE RIGHTS AND PRIVILEGES OF RAILWAY LABOURERS.

728. ***Sardar G. N. Mujumdar** (on behalf of Mr. Nabakumar Sing Dudhoria): (a) Will Government be pleased to state whether there is a separate Department under the Railway Board which is intended to safeguard the rights and privileges of the railway labourers and to enforce the terms contained in the Washington Convention?

(b) If so, what is the total expenditure per annum incurred by that department?

Mr. A. A. L. Parsons: (a) An organisation is to come into force with effect from the 1st April, 1931, for the purpose of supervising the application of the Hours of Work Regulations on the North Western and East Indian Railways, as well as on any other railways to which the Regulations may be subsequently applied. This organization will be under the Railway Board and independent of the Railway Administrations concerned.

(b) The cost of the organization during 1931-32 is estimated to be Rs. 45,000.

RAILWAY LABOUR INSPECTORS.

729. ***Sardar G. N. Mujumdar** (on behalf of Mr. Nabakumar Sing Dudhoria): (a) Will Government be pleased to state the number of Railway Labour Inspectors employed in each of the following Railways:

- (1) Great Indian Peninsula Railway,
- (2) North Western Railway,
- (3) East Indian Railway,
- (4) Eastern Bengal Railway,
- (5) Bombay, Baroda and Central India Railway?

(b) How many of the above posts are held by Hindus and how many by Muslims?

(c) Is there any scheme at present before the Railway Board to increase the number of such Inspectors?

(d) If so, will Government be pleased to state the number of vacancies and when the recruitment is expected to take place?

Mr. A. A. L. Parsons: (a) and (b). No Labour Inspectors are employed on the Great Indian Peninsula, North Western or Eastern Bengal Railways. The East Indian Railway have two Labour Inspectors, both of whom are Hindus. The Bombay, Baroda and Central India Railway have no Labour Inspectors but have six Welfare and Labour Advisers, of whom five are Hindus and one is a Parsee.

(c) and (d). Government propose to appoint four Inspectors of Labour when the Indian Railways Amendment Act, 1930, is applied to the North Western and East Indian Railways from the 1st April, 1931. Recruitment to these appointments will be made shortly before that date.

STEEL USED FOR BRIDGES ON THE BENGAL NAGPUR RAILWAY.

730. ***Sir Cowasji Jehangir:** Is it a fact that the Bengal Nagpur Railway has recently placed large orders for the construction of railway bridges in England, one of such bridges being within five miles of the Indian Steel Works? Is it a fact that the bridge in question is entirely constructed of foreign steel and that no Indian steel has been used in it?

Mr. A. A. L. Parsons: During the past year the Bengal Nagpur Railway has placed one order for 36 bridge spans in England. The English price was slightly more than the Indian price, but the Railway Administration explains that the spans were urgently required for a line under construction now opened to traffic and delivery was promised and made within 18 weeks as against 26 weeks by the most suitable tenderer. The value of the order was £5,110. By "the bridge within five miles of the Indian Steel Works" it is presumed the Honourable Member refers to the Korkai bridge, the girders for which were ordered last year. The order for these girders was placed with an Indian Engineering Works. Government are not aware if the manufacturer used Indian or foreign steel, but they have no doubt that Indian steel would have been used had a favourable rate and delivery been quoted.

Sir Cowasji Jehangir: Could not the Railway Company have anticipated their requirements beforehand so as to enable them to use Indian steel?

Mr. A. A. L. Parsons: With regard to the Korkai Bridge the order was placed with an Indian manufacturing firm and Government do not control that firm, so as that they could specify where they should buy their steel.

Sir Cowasji Jehangir: Do not Government specify that Indian steel should be required to be used by their contractors?

Mr. A. A. L. Parsons: Not in so many words. So far as tenders which come into the Railway Board are concerned we look into the question whether the firm proposes to use a proportion of Indian manufactured material. But we do not say that Indian steel should be used.

Sir Cowasji Jehangir: I understand the Honourable Member to say that he is not in a position to tell the House whether the contractors are using Indian steel, because they have no information. If that be so, may I ask if Government do not make it a point to specify in the contracts that Indian steel should be used?

Mr. A. A. L. Parsons: I do not think that has been done so far.

Sir Cowasji Jehangir: Will Government consider the matter, when such an opportunity comes in future?

The Honourable Sir George Rainy: I am prepared to consider that point, but my Honourable friend must remember that this is a Company-managed railway and it is not in the same position as a State-managed railway.

Sir Cowasji Jehangir: Have Government no control over Company-managed railways?

The Honourable Sir George Rainy: It would not follow that they have no control, but what I said was that the Company-managed railways are not in the same position as State-managed railways.

Sir Cowasji Jehangir: Have not Government sufficient control over the Railways to enable them to enforce such a regulation?

The Honourable Sir George Rainy: I cannot give a categorical answer to that offhand.

Mr. K. Ahmed: In view of the fact that the great majority of the shareholders are the Government of India, will Government for the benefit of the country take steps to bring in that condition of control over the Company-managed railways so that in future when the tender is accepted, that condition also may be simultaneously accepted by the tenderer? If not, why not?

The Honourable Sir George Rainy: I am afraid I cannot add to what I have already said.

CONSTRUCTION OF A BRIDGE OVER THE RUPNARAYAN RIVER.

731. ***Sir Cowasji Jehangir:** Is it a fact that the construction of the large new bridge over the Rupnarayan River on the Bengal Nagpur Railway has been placed with Messrs. Dorman, Long and Company and that the tendered price was about 15 per cent. higher than the price tendered by Indian makers for material fabricated from Indian steel?

Mr. A. A. L. Parsons: The order for girders for the Rupnarayan Bridge was not placed with Messrs. Dorman, Long and Company, but with another British manufacturer. The accepted price worked out at 3 per cent. more than the most suitable Indian tender. In view of the fact that at the time of placing this order no firm in India had manufactured railway girders of 300 ft. span the administration considered that in order to ensure great reliability of delivery and manufacture the additional cost was justified.

WAGONS PURCHASED BY THE BENGAL NAGPUR RAILWAY.

732. *Sir Cowasji Jehangir: Is it a fact that the Bengal Nagpur Railway has recently ordered wagons from abroad without calling for tenders in India?

Mr. A. A. L. Parsons: No wagons have been ordered abroad by the Bengal Nagpur Railway since May 1929.

REPRESENTATION FROM POSTAL OFFICIALS TRANSFERRED FROM POONA TO BOMBAY.

733. *Mr. S. G. Jog: Will Government be pleased to state:

- (a) whether they have received representations from officials of the now defunct office of the Deputy Postmaster-General, Railway Mail Service, Western Circle, Poona, who have been transferred to the Circle office in Bombay, in connection with the loss in fixation of their pay;
- (b) what is the number of such officials;
- (c) whether the point to point principle was in vogue at the time of their transfer to Bombay;
- (d) whether those representations are finally disposed of; and if so, with what result;
- (e) whether these officials had asked for the concession under Fundamental Rule 27 to compensate them for their loss in pay; and
- (f) whether instructions will now be issued to the Head of the Circle to exercise powers under Fundamental Rule 27 vested in him by Government to compensate them for the loss in the fixation of their pay?

Mr. J. A. Shillidy: (a) Yes. Representations were received in 1928 and 1929.

(b) Representations were received from 16 officials.

(c) Yes, in the case of the officials transferred before 1st June, 1927, when the point-to-point system was abolished.

(d) Yes. In the case of those who enjoyed the benefit of the old "Point to Point" system on account of their transfer in January 1927, the prayer for re-fixation of pay on the basis of Bombay pay according to their years of service was rejected. The pay of others who were transferred in July and October 1927 when the "Point to Point" system ceased to exist was refixed to the extent justified under that system by the application of Fundamental Rule 27, and their petitions for further concessions were not accepted.

(e) Yes. There was however no loss of pay. The concession asked for was for additional advance increments.

(f) Government have already decided not to grant the concession asked for. Accordingly the question of taking any further action in the manner suggested by the Honourable Member does not arise.

HOUSE RENT ALLOWANCE FOR SUB-POSTMASTERS IN BOMBAY.

734. *Mr. S. G. Jog: Will Government be pleased to state:

- (a) whether it is a fact that, whenever quarters are provided for any Government official, the recovery on account of rent is ten per cent. of the pay of that official;
- (b) whether it is a fact that a number of the Sub-Postmasters in the lowest selection grade in Bombay are paid house rent in lieu of free quarters at the rate of less than Rs. 20;
- (c) whether it is a fact that Government in their memorandum to the Standing Finance Committee stated that the house rent allowance in lieu of free quarters to the Sub-Postmasters in Bombay and Karachi would be something higher than ten per cent. of their actual pay;
- (d) whether it is a fact that the average pay of a selection grade official in Bombay is Rs. 205; and if so, do Government propose to revise the rates of house rent allowance to the Sub-Postmasters referred in part (b) above?

Mr. H. A. Sams: (a) No, the rules lay down that ordinarily the amount of rent recoverable from an official should be 10 per cent. of his emoluments or the actual rental value of the accommodation occupied, whichever is less.

(b) Yes.

(c) If the Honourable Member will refer to the Memorandum in question he will see that no such definite statement was made.

(d) The average pay of the Selection-grade of Rs. 160—10—250 is Rs. 208. With regard to the latter part of the question, the attention of the Honourable Member is invited to the reply given to part (c) of Mr. N. M. Joshi's unstarred question No. 313 in the Legislative Assembly on the 11th March, 1929.

ADMISSION OF POSTMEN TO THE POSTAL INSURANCE FUND.

735. *Mr. S. G. Jog: Will Government be pleased to state:

- (a) whether the postmen and lower grade staff have been permitted to join the Post Office Insurance Fund;
- (b) if so, whether the rules of the Fund are published in the vernacular for the benefit of those classes, and
- (c) if not, do Government propose to arrange for such publication as early as possible?

Mr. H. A. Sams: (a) Yes.

(b) Yes; so far the rules have been published in Urdu and Hindi. The question of their publication in other important vernaculars will be considered after the revision of these rules now in progress is completed.

(c) Does not arise.

QUALITY OF UNIFORMS FOR INFERIOR STAFF OF THE RAILWAY MAIL SERVICE.

736. *Mr. S. G. Jog: Will Government be pleased to state:

- (a) whether it was repeatedly brought to the notice of the Department concerned that the cloth used in supplying the uniforms to the inferior staff of the Railway Mail Service is of an inferior stuff;
- (b) whether in the case of the similar Post Office staff such complaint has since been removed; and
- (c) whether Government now intend to improve the quality of the cloth in the case of the staff of the Railway Mail Service?

Mr. H. A. Sams: (a) No.

(b) No such complaint has been received.

(c) Does not arise.

Mr. S. G. Jog: May I inquire whether the cloth that is used is Indian made or foreign cloth?

Mr. H. A. Sams: So far as I am aware, the cloth is made in India.

Mr. S. G. Jog: Is it from the Indian companies or European companies?

Mr. H. A. Sams: I must have notice of that question.

ADDITIONAL SELECTION GRADE APPOINTMENTS IN THE ACCOUNTS DEPARTMENT OF THE BOMBAY GENERAL POST OFFICE.

737. *Mr. S. G. Jog: Will Government be pleased to state:

- (a) whether it is a fact that Rai Bahadur J. P. Ganguli, an Officer appointed by the Government of India, had recommended as early as in 1927, the sanction of some additional selection grade appointments in the Accounts Department of the Bombay General Post Office on the strength of the nature of work in that Department;
- (b) whether it is a fact that these recommendations of the said officer still remain unfulfilled;
- (c) if the reply to part (b) above is in the affirmative, do Government propose to expedite the matter?

Mr. H. A. Sams: (a) Yes.

(b) No.

(c) Does not arise.

POWERS OF TOWN INSPECTORS OF POST OFFICES.

738. *Mr. S. G. Jog: Will Government be pleased to state:

- (a) whether they have issued any orders directing that the Town Inspectors of Post Offices, in the First Class Head Offices will exercise all the powers of Sub-Divisional Inspectors;
- (b) whether it is a fact that the Director General, Posts and Telegraphs, as early as in January, 1930, further issued orders in his letter No. Staff-A.-0134/28, dated the 3rd January, 1930, granting the Town Inspectors powers of appointment, etc.;

- (c) whether the Town Inspectors in Madras, the United Provinces and Bengal and Assam Circles do exercise such powers;
- (d) whether the Town Inspectors in Bombay are still not vested with such powers; and
- (e) if the reply to part (d) above is in the affirmative, whether the Director General proposes to inquire and issue instructions in the matter?

Mr. H. A. Sams: (a) Yes.

(b) Yes.

(c) to (e). Government have no precise information, but understand that in some Circles, Town Inspectors attached to First Class Head Offices have not been allowed to exercise the powers of appointment, etc., owing to certain administrative difficulties. I am examining the whole question.

SUPPLY OF WARM CLOTHING TO RAILWAY MAIL SERVICE OFFICIALS.

739. ***Mr. S. G. Jog:** Will Government be pleased to state:

- (a) whether the Director-General, Posts and Telegraphs, has assured the Secretary of the All-India (including Burma) Postal and Railway Mail Service Union, Delhi, that the scheme of extended supply of warm clothing to Railway Mail Service officials will be brought into operation and given effect to in the coming year; and
- (b) if so, whether the necessary provisions have been made in this year's Budget?

Mr. J. A. Shillidy: (a) No such assurance was given.

(b) Does not arise.

COST OF THE OLD TREASURY BRANCH OF THE BOMBAY GENERAL POST OFFICE

740. ***Mr. S. G. Jog:** Will Government be pleased to state:

- (a) the actual monthly expenditure for the maintenance of the Treasury Branch of the Bombay General Post Office prior to the introduction of the cash contract system; and
- (b) the actual monthly subsidy paid to the Contractor at present, including the additional grant for collecting and distributing cash to the Town Sub Offices?

Mr. H. A. Sams: (a) Rs. 4,067 monthly. The Honourable Member's attention is invited to the reply already given by me on the subject on the 11th March, 1929, to a similar unstarred question No. 319 by Mr. N. M. Joshi.

(b) Rs. 4,850, but this also covers the treasury work of six town sub-offices which were not included in the subsidy referred to in the answer to Mr. Joshi's question.

APPOINTMENTS OF STAMP VENDORS IN POST OFFICES.

741. *Mr. S. G. Jog: Will Government be pleased to state:

- (a) whether it is a fact that an assurance was given to the Standing Finance Committee when the pay of the stamp vendors in Post Offices was revised, that the question of converting their appointments into superior service would be taken up by Government; and
- (b) if so, whether Government will be pleased to inform the House of their decision in the matter?

Mr. H. A. Sams: (a) The attention of the Honourable Member is invited to the reply given by the Honourable Sir Bhupendra Nath Mitra to Mr. N. C. Kelkar's unstarred question No. 184 on the 18th September, 1929.

(b) No decision has yet been reached.

SALE OF POSTAGE STAMPS IN POST OFFICES IN BOMBAY.

742. *Mr. S. G. Jog: Will Government be pleased to state:

- (a) whether it is contemplated that the work of selling postal stamps and stationery in certain post offices in Bombay, which is now being done by the Departmental stamp vendors, should be farmed out to the Contractor holding cash contract business;
- (b) if so, what the reasons are that led to such a new proposal; and
- (c) if the reply to part (a) above is in the affirmative, whether Government are prepared to reconsider their decision and allow the present system to continue?

Mr. H. A. Sams: (a) and (b). A proposal on the subject has recently been received from the Postmaster-General, Bombay, but no decision has yet been reached.

(c) Does not arise.

TRANSPORTATION FOR LIFE OF PANDIT JAGAT RAM.

743. *Mr. Gaya Prasad Singh: (a) Is it a fact that Pandit Jagat Ram, B.A., was sentenced to death with confiscation of property in 1915 by a Special Tribunal constituted under the Defence of India Act, under Sections 121, 121-A, 122, 124-A, and 131 of the Indian Penal Code, along with a few others, but that his sentence was commuted to one of transportation for life by the Governor General in Council? Was he kept confined in the Cellular Jail at Port Blair, Andamans, from the 10th December, 1915 to the 23rd August, 1921 (a period of 5 years, 8 months, and 13 days), and was he granted a special remission of two years and one month, under the sanction of the Government of India?

(b) Is it a fact that up to 13th January, 1931, the prisoner has undergone:

	Years.	Months.	Days.
In the Cellular Jail at Port Blair	5	8	13
Special remission by the Government of India	2	1	0
In the Indian Jails	9	7	17
Remission earned	2	3	4
Total	19	8	4

(c) Under what law was the prisoner Jagat Ram confined in the Cellular Jail at Port Blair for over five years; and is not such confinement equivalent to rigorous imprisonment in Indian Jails?

(d) Is it a fact that under the sentence of transportation for life, Jagat Ram has already undergone rigorous imprisonment for more than 19 years?

(e) Will Government be pleased to make a short statement on this case, and disclose their intentions with regard to the release of this prisoner?

The Honourable Sir James Crerar: I have called for a report, and will give the information when it is received.

Mr. Jagan Nath Aggarwal: Will the information be communicated to the House as well?

The Honourable Sir James Crerar: I have no objection.

Sardar Sant Singh: Will the Honourable Member communicate similar information with regard to the Sikh prisoners who were convicted along with Pandit Jagat Ram?

The Honourable Sir James Crerar: I do not think that arises out of my reply.

APPOINTMENT OF INDIAN ELECTRICAL ENGINEERS.

744. ***Mr. B. Sitaramaraju:** (a) Are Government aware that Messrs. Merz & Partners, Consulting Electrical Engineers to the Government of India (Railway Board), have at present on their superior staff four Indian electrical engineers, who have all received technical training, both theoretical and practical, in England and are now employed in responsible positions?

(b) Is it a fact that last year Government recruited four electrical engineers in connection with the Great Indian Peninsula Railway electrification, of whom three were Europeans and only one Indian? Why were not the claims of the four Indian Engineers considered?

Mr. A. A. L. Parsons: (a) Government have no information.

(b) Of the four Electrical Engineers, two were Europeans and two were Indians, one of the latter being an Anglo-Indian. This recruitment was made through the Public Service Commission, who invited applications by advertisement. So far as can be ascertained, only one Indian on the staff of Messrs Merz and Partners submitted an application, but he was not recommended for appointment.

APPOINTMENT OF PUNJABI MUSSALMANS TO THE HIGHER RANKS OF THE ARMY.

745. ***Nawab Major Malik Talib Mehdi Khan:** (a) Will Government please state the percentage of the Punjabi Mussalmans in the Indian Army?

(b) Will Government please state the number of officers who have passed through Woolwich, Sandhurst and the Engineering branch of the Royal Indian Marine, during the last five years, and the number of Punjabi Mussalmans among them?

(c) Are Government prepared to lay down a rule ensuring adequate representation of the martial races, and particularly Punjabi Mussalmans in higher ranks of the Indian Army?

Mr. G. M. Young: (a) The percentage in combatant units of the Indian Army, excluding the Indian Army Service Corps, is about 24. If the Indian Army Service Corps is included, the percentage is a little higher.

(b) 41 Indian cadets were commissioned from Sandhurst between January, 1926 and December, 1930. 13 of these cadets were Mussalmans. Five came from the Punjab, six from the North West Frontier Province, and two from other parts of India. No Indians were commissioned from Woolwich during that period. One Indian, a Bengali, was commissioned in the Engineering branch of the Royal Indian Marine.

(c) Out of the 41 cadets, 29, or just over 70 per cent., belong to races from which the Indian Army is recruited. As I have stated above, 11, that is, 27 per cent., are Mussalmans from the Punjab and N. W. F. P. The Honourable Member will see that the figures of the last 5 years do not indicate any necessity for special rules to ensure adequate representation either of Punjabi Mussalmans or of other fighting races in the higher ranks of the Indian Army. But Government are fully alive to the importance of this aspect of the matter.

INCLUSION OF UNTOUCHABLES AMONGST HINDUS FOR THE CENSUS.

746. ***Nawab Major Malik Talib Mehdi Khan:** (a) Has the attention of Government been drawn to a note on page 9 of the *Hindustan Times*, dated the 18th February, 1931, which shows that some orders have been issued to include Bhungis and other untouchables among the Hindus in the forthcoming census?

(b) Is it a fact, that such orders have been issued, and, if so, is this being done against their will? If so, why, and are Government prepared to cancel the orders?

The Honourable Sir James Ormerod: (a) Yes.

(b) No instructions have been issued to return Bhungis and other untouchables as Hindus against their will. Their classification as Hindus or otherwise will depend entirely on the manner in which they return themselves at the enumeration.

RECRUITMENT OF CLERKS TO ACCOUNTS OFFICES.

747. ***Mr. M. N. Rao:** (a) Is it a fact that one of the rules for the recruitment of clerks for certain accounts offices, issued by the Accountant General, Central Revenues, on 2nd December, 1930, lays down that Europeans and Anglo-Indians, irrespective of their educational qualifications, may be given a starting pay of Rs. 70 to Rs. 80 per month, whereas Indians with qualifications of B.A., B.Sc. and B.Com., cannot be granted an initial pay of more than Rs. 56 a month?

(b) What is the reason for this racial discrimination?

(c) Are Government prepared to rescind this discriminative rule and prescribe similar rates of pay for all classes and communities? If not, why not?

The Honourable Sir George Schuster: (a) Yes.

(b) It has been decided that members of minority communities should have due representation in Government offices. Europeans and Anglo-Indians belong to such communities, and it is not possible to attract candidates from amongst them on a lower initial pay.

(c) For the reasons given in (b), not at present.

MILITARY RAID ON THE OFFICE OF THE KHUDAYI KHIDMATGAR MOVEMENT.

748. ***Seth Haji Abdoola Haroon:** (a) Is it a fact that the office of the "Khudayi Khidmatgar Movement", in which there were two copies of the "Holy Kuran", was burnt by the Military?

(b) Is it a fact that the son of Khan Abdul Gaffar Khan was charged with a bayonet by a British soldier and was saved by an Indian soldier at the risk of injuring his own hands?

(c) Is it a fact that some volunteers who were in the office were thrown down from the second storey of the building causing the breaking of their limbs?

Mr. J. G. Acheson: (a) One small hut which was the meeting place of the "Red Shirts", or Khudai Khidmatgaran, organisation, which had been declared unlawful, was burnt on the 14th May 1930. It is quite untrue that a copy or copies of the Holy Koran were burnt.

(b) No.

(c) No, Sir. The only foundation for this statement, so far as I can ascertain, is that one youth jumped into the street from the flat roof on which the temporary superstructure used as an office had been erected and hurt his ankle.

BLOCKADE OF VILLAGES IN PESHAWAR DISTRICT.

749. ***Seth Haji Abdoola Haroon:** Will Government be pleased to state whether the blockade of villages, firing, burning of houses, destroying of corn, etc., was resorted to before or after the promulgation of the Martial Law Ordinance in the district of Peshawar? If before, under what regulation were these acts resorted to?

Mr. J. G. Acheson: Certain villages were blockaded to prevent the holding of seditious meetings and the spread of propaganda by proclaimed associations. Firing took place on one occasion only, when fire was opened upon the troops in the first instance by hostile parties. These measures were taken before the promulgation of the Martial Law Ordinance in the interests of the public peace. The remaining allegations are not substantiated.

TREATMENT OF CONGRESS VOLUNTEERS IN CHARSADDA.

750. ***Seth Haji Abdoola Haroon:** (a) Is it a fact that cavalry horses were made to trample over the bodies of some volunteers in Charsadda?

(b) Is it also a fact that volunteers were driven back by cavalry soldiers by charging them with their spears thereby wounding some of them seriously?

(c) Is it a fact that no medical aid was rendered to the wounded and disabled volunteers?

Mr. J. G. Acheson: (a) No, Sir. What actually occurred was that a number of youths attempted to hold up a party of cavalry horses returning from watering by lying on the road. Although the men accompanying the horses had difficulty in controlling them no one was injured.

(b) A report has been called for and the facts will be communicated to the Honourable Member on receipt.

(c) As far as possible medical aid was rendered on all occasions when it was necessary.

Seth Haji Abdoola Haroon: Can the Honourable Member give any instance where medical aid was given to any of these people?

Mr. K. Ahmed: How many hours afterwards was medical aid given to the wounded and disabled volunteers in question?

Mr. J. G. Acheson: I am afraid I cannot answer that question, Sir, without notice.

Sir Abdur Rahim: Can the Honourable Member give the number of wounded and disabled volunteers on this particular occasion?

Mr. J. G. Acheson: I am afraid I cannot do so without notice, but the number was small if there were any at all.

Mr. K. Ahmed: In view of the fact that the question itself contained a request for information whether no medical aid was rendered to the wounded, why did not Government think it desirable to obtain the necessary particulars?

Mr. J. G. Acheson: I do not admit that no medical aid was given, but I shall be happy to give further particulars if I am given time to collect them.

PEACEFUL DISPERSAL OF MEETINGS ON THE FRONTIER.

751. ***Seth Haji Abdoola Haroon:** (a) Are Government aware that on the 14th of May, 1930, a huge meeting of about 20,000 people was held at Utmanzai?

(b) Is it also a fact that the said meeting dispersed peacefully when the military came and ordered them to disperse?

(c) If the answer to part (b) is in the affirmative, did the Frontier Government employ the same method of peacefully dispersing similar meetings held elsewhere?

Mr. J. G. Acheson: (a) A meeting of about 1,000 persons is believed to have been held in Utmanzai on the date mentioned.

(b) The meeting dispersed when called upon to do so.

(c) Force was only used to disperse unlawful assemblies when the latter refused to disperse when called upon to do so.

BLOCKADE OF VILLAGES AT CHARSADDA, ETC.

752. ***Seth Haji Abdoola Haroon:** (a) Is it a fact that during the blockades at Charsadda and several other villages the inhabitants were forced to remain confined to the four walls of their houses without having the opportunity of communicating with their next door neighbours in safety?

(b) Is it not a fact that the time for prayers in the Mosque was announced by the sounding of bugles?

(c) Are Government aware that some children died during the course of these blockades on account of proper medical aid not being obtainable?

(d) Are Government aware that this confinement caused the cultivators serious losses consequent on their inability to look after their crops?

(e) Are Government aware that owing to the blockades of Charsadda and Utmanzai market places most of the cultivators in the sub-division, who mainly depend for financial support on these markets, could not get the required amount of money, thus causing failure of their valuable crops of sugar cane?

(f) Is it the intention of Government to compensate these victims?

(g) Is it true that Government have demanded the usual land revenue from these cultivators?

Mr. J. G. Acheson: The information required is being collected and will be furnished to the Honourable Member in due course.

FAILURE OF CROPS AND LOW PRICES IN THE NORTH-WEST FRONTIER PROVINCE.

753. ***Seth Haji Abdoola Haroon:** (a) Are Government aware that there has been a failure of crops all over the Frontier during the past four consecutive years on account of locust, frost dust, rain, etc.?

(b) Are Government aware that prices of agricultural produce have gone down tremendously in the North West Frontier Province?

(c) If the answer to parts (a) and (b) is in the affirmative, what are the measures adopted by the Frontier Government to meet the situation?

(d) Do Government contemplate any further reduction of a permanent nature in (i) land revenue, and (ii) water tax in the North West Frontier Province?

The Honourable Khan Bahadur Mian Sir Fazl-i-Husain: (a) Partial damage to crops in various parts of the North West Frontier Province occurred during the years 1927, 1928, 1929 and 1930.

(b) Yes, in sympathy with the general trend of prices throughout India.

(c) A permanent reduction of Rs. 66,000 in the revenue demand of Peshawar, as fixed at the recent resettlement, was sanctioned last year to bring its results into accord with the provisions of the Punjab Land Revenue Amendment Act. Throughout the province remissions of land revenue and water rate have also been granted in the tracts affected by the calamities specified on a liberal scale proportionate to the failure of crops. Proposals submitted by the local administration for the grant of partial revenue and water rate remission on account of the situation arising out of the fall in agricultural prices are under consideration.

(d) No.

ELECTION TO MUNICIPAL BODIES IN THE NORTH WEST FRONTIER PROVINCE.

754. *** Seth Haji Abdoola Haroon:** (a) Are Government aware that the recent declaration of the Frontier Government throwing open only 50 per cent. of the elected seats for the public in the Municipal bodies has caused dissatisfaction among the people?

(b) Have Government received any warning that this resentment and dissatisfaction of the public is likely to result in the boycott of these elections by the public?

The Honourable Khan Bahadur Mian Sir Fazl-i-Husain: (a) Government have no information to that effect.

(b) No, though the Peshawar Khilafat Committee is alleged to have made such a suggestion.

Seth Haji Abdool'a Haroon: Are Government aware that this agitation has been going on in the Frontier Province because of the feeling that the Government have not granted what they have already promised?

The Honourable Khan Bahadur Mian Sir Fazl-i-Husain: It is difficult to be quite sure about it; no doubt it may be possibly partly due to it.

Nawab Sir Sahibzada Abdul Qaiyum: May I know, Sir, why the election system introduced in the Peshawar Municipality in 1929 was not extended to other parts of the N. W. F. Province?

The Honourable Khan Bahadur Mian Sir Fazl-i-Husain: It would be interesting to know why the Honourable Member did not ask that question in 1929.

Nawab Sir Sahibzada Abdul Qaiyum: There was no opportunity then; this is the earliest opportunity I get.

The Honourable Khan Bahadur Mian Sir Fazl-i-Husain: I am very glad to know that the right of interpellation has been conceded to the Members of this House in this year.

Nawab Sir Sahibzada Abdul Qaiyum: Is my question then time barred?

Seth Haji Abdoo'a Haroon: Are Government aware that in the Round Table Conference they have decided to give two-thirds of elected members in the Council for that province? If so, will Government consider whether they propose to raise their present fifty per cent. for the Local Boards and Municipalities to 66 per cent. in future?

The Honourable Khan Bahadur Mian Sir Fazl-i-Husain: If it is correct that the Round Table Conference have decided to do so, the matter undoubtedly will have to be reconsidered in the light of that decision.

Seth Haji Abdoola Haroon: Are Government aware that these elections will be held very shortly in the Frontier Province and before they are held will Government declare that the percentage of sixty-six per cent. recommended by the Round Table Conference for the future Council, will also hold good for the Municipalities and Local Boards in that province?

The Honourable Khan Bahadur Mian Sir Fazl-i-Husain: That is a matter which requires further consideration.

Mr. K. Ahmed: In view of the fact that the Honourable Member has already answered in a way that will partly pacify the people of that province, do Government propose to undertake steps to passify them partly as early as possible?

The Honourable Khan Bahadur Mian Sir Fazl-i-Husain: I am afraid I have not quite followed the question. (Laughter.)

Nawab Sir Sahibzada Abdul Qaiyum: May I know if the attention of the Government has been drawn to the North West Frontier Province Gazette in its last issue in which certain provisions of the Punjab District Boards and Municipalities Act have not been made applicable in the case of a portion of the province within its jurisdiction, and if so, what is the reason for making any difference between the North West Frontier Province and the Punjab, although an assurance was given to that effect on the 3rd July last?

The Honourable Khan Bahadur Mian Sir Fazl-i-Husain: My attention has not been invited to the notification to which the Honourable Member is referring. But if he will kindly give me the number of the notification he is referring to, I shall be glad to go into the matter.

GRIEVANCES OF THE RAILWAY CLEARING ACCOUNTS OFFICE STAFF AT DELHI.

755. ***Mr. Bhuput Singh:** Will Government be pleased to state:

- (a) whether their attention has been drawn to the article under the caption "Grievances of the Railway Clearing Accounts Office Staff at Delhi" that appeared in the *Advance*, the *Bengalce*, and the *Anrita Bazar Patrika* on or about 21st November, 1930;
- (b) if so, what steps they have taken or propose to take to remove the grievances about (i) giving the benefit of the general increment to all clerks of the office, irrespective of the fact whether they joined before or after the 1st January, 1927, and (ii) providing quarters for them, or in lieu thereof giving them house-allowance?

Mr. A. A. L. Parsons: (a) No.

(b) (i) and (ii). Do not arise. As regards (ii), however, the position is that Government have decided to construct quarters for these clerks gradually, as funds can be provided.

GRIEVANCES OF THE RAILWAY CLEARING ACCOUNTS OFFICE STAFF AT DELHI.

756. ***Mr. Bhuput Sing:** Will Government be pleased to state:

- (a) whether they are aware of the discontent among the clerks of the Railway Clearing Accounts Office at Delhi by reason of some passed clerks' claims for seniority being overlooked in favour of some unpassed clerks;
- (b) what has been done about the findings and recommendations of the committee, that was presided over by Mr. M. K. Mitra, Controller of Railway Accounts, for the preparation of a gradation list of the clerks in that office, about a year ago?

Mr. A. A. L. Parsons: (a) and (b). Government have no information regarding passed senior clerks having been superseded by unpassed clerks. The question of seniority of the staff of the Railway Clearing Accounts Office was fully gone into by the Committee presided over by Mr. M. K. Mitra. The Report of that Committee has been considered and orders are under issue.

DEATH, SICKNESS AND RETIREMENT OF CLERKS OF THE RAILWAY CLEARING ACCOUNTS OFFICE, DELHI.

757. ***Mr. Bhuput Sing:** Will Government be pleased to state:

- (a) the number of clerks of the Railway Clearing Accounts Office at Delhi who died at Delhi while in service during 1929-30 and 1930-31;
- (b) the names of diseases from which they died;
- (c) the number that went on medical leave during the same period;
- (d) the number that retired from service during the same period;
- (e) the number that is on the sick-list at present;
- (f) the total strength of the office as regards clerks only;
- (g) the number that is working as temporary hands; and
- (h) the different nationalities under which those temporary hands come?

Mr. A. A. L. Parsons: (a) 13.

- (b) The information is not available.
- (c) There were 418 applications.
- (d) 10.
- (e) 28.
- (f) 1,224.

(g) and (h). Temporary hands number 300 composed of the following communities :

Hindus—223.

Muslims—59.

Sikhs—13.

Christians and Anglo-Indians—5.

PUBLIC SERVICE COMMISSION EXAMINATION FOR DEPARTMENTAL CANDIDATES.

758. ***Mr. D. K. Lahiri Chaudhury:** (a) Is it a fact that a qualifying examination of the Public Service Commission, for the departmental candidates, is going to be held in the near future? If the answer to above be in the affirmative, will Government be pleased to state the date?

(b) Is it a fact that there are several temporary clerks in the Government of India offices who do not possess the minimum educational standard required by the Public Service Commission?

(c) Is it a fact that many of them have been working in the Government of India offices for periods ranging over years?

(d) If the answer to parts (b) and (c) above are in the affirmative, will Government be pleased to state whether they will be allowed to sit for the qualifying examination? If not, will they be pleased to state what they propose to do with these clerks?

The Honourable Sir James Orerar: (a) Yes, on the 30th March, 1931.

(b) I understand there are some.

(c) I have no precise information on this point.

(d) They are not qualified to sit for the examination since the instructions issued in 1928 laid down certain educational qualifications which have to be fulfilled. At the same time instructions were issued that temporary clerks should be informed before they are engaged that their employment either for a short or for a long period confers no title to or prospect of permanent employment and I am afraid therefore that nothing can be done.

CLERKS EXEMPTED FROM THE PUBLIC SERVICE COMMISSION'S EXAMINATION

759. ***Mr. D. K. Lahiri Chaudhury:** (a) Is it a fact that several clerks of the Railway Board were exempted from the examination of the Public Service Commission and confirmed in 1930, on the ground that they had been serving for more than one year?

(b) If the answer to part (a) above be in the affirmative, do Government propose to extend the same concession to persons similarly placed? If not, why not?

Mr. A. A. L. Parsons: (a) The reply is in the negative.

(b) Does not arise.

CLERKS EXEMPTED FROM THE PUBLIC SERVICE COMMISSION'S EXAMINATION.

760. ***Mr. D. K. Lahiri Chaudhury:** Will Government be pleased to state the number of clerks who were exempted from the examination of the Public Service Commission, from 1920 to 1930, with names, qualifications, and reasons in each case?

The Honourable Sir James O'Connell: The information is not readily available and it is not proposed to collect it, as this would involve an amount of labour wholly disproportionate to the results.

TELEGRAPHIC COMMUNICATION BETWEEN CHEDUBA ISLAND AND THE ARRACAN COAST.

761. *U. Tun Aung: Will Government be pleased to state whether immediate steps are being taken to restore the telegraphic communication, damaged by the last cyclones, between the Cheduba Island and the main Arracan coast? If not, do they propose to do so? Are they aware that the residents of the said Island are being put to great inconvenience for want of connection with the outer world?

Mr. H. A. Sams: Yes, arrangements have been made to establish wireless communication between Cheduba island and Sandoway. The reply to the last part is in the affirmative.

MEMORIAL FROM THE RATEPAYERS' ASSOCIATION, MANDALAY CANTONMENT.

762. *U. Tun Aung: Will Government be pleased to state whether a memorial from the Ratepayers' Association, Mandalay Cantonment, Burma, has been received? If reply be in the affirmative, what action has been taken thereon?

Mr. G. M. Young: Yes, a memorial was received. The allegations in it were duly investigated, and proved to be unfounded.

ESTABLISHMENT OF MILITARY, NAVAL AND AERIAL COLLEGES FOR BURMANS.

763. *U. Tun Aung: Will Government be pleased to state whether they have considered the question of now establishing colleges or such other institutions to enable Burmans to be trained for military, naval and aerial services? If so, will steps be taken immediately to give effect to the same?

Mr. G. M. Young: Government have not considered the question of establishing a separate cadet college for Burma. Burmans however are eligible for admission to Dehra Dun, Sandhurst, Woolwich and Cranwell, and for entry into the Royal Indian Marine.

REMISSION OF INCOME-TAX OF PEOPLE AFFECTED BY EARTHQUAKES AND CYCLONES IN BURMA.

764. *U. Tun Aung: Will Government be pleased to state whether they are aware of the tragic losses in life and property caused to the people in various districts by the earthquakes and cyclones in Burma? If so, are they prepared to remit income-tax in those areas for the current year?

The Honourable Sir George Schuster: The Government of India have directed that in the area affected by the Pegu earthquake income-tax demands should be regulated by the real ability to pay of each assessee, and that cases in which relief is to be thus granted should be scrutinised by the Commissioner of Income-tax in consultation with the Divisional Commissioner. A request received from the Indian Chamber of Commerce for the allowance of enhanced rates for annual repairs under section 9 (1) of the Indian Income-tax Act in view of the damage caused by earthquakes in Burma is under consideration.

APPOINTMENT OF BURMESE AS INCOME-TAX OFFICERS IN BURMA.

765. ***U. Tun Aung:** Will Government be pleased to state whether a language examination is strictly compulsory for the Income-tax officers in Burma? If so, when do Government intend that this service should be Burmanised? If not, what are the special reasons for the relaxation of the rule?

The Honourable Sir George Schuster: Commissioners of Income-tax have been directed to frame rules for the examination of Income-tax officers in the chief vernacular or vernaculars of each province based on the rules prescribed for the departmental examination of the Provincial Executive Service. This direction applies to Burma. The Commission of Income-tax is no doubt fully alive to the claims of Burmans to employment in the Income-tax Department in Burma. I am not aware to what relaxation of what rule the Honourable Member refers. If he will address a more specific enquiry to the Central Board of Revenue they will supply him with any information on the subject that he may require.

CONSTRUCTION OF A ROMAN CATHOLIC CHURCH IN MINGALADON CANTONMENT.

766. ***U. Tun Aung:** Will Government be pleased to state whether plans and estimates for the proposed Roman Catholic Church in the Mingaladon Cantonment, Rangoon, have been forwarded by the local military authorities to the Government? If not, when will they be sent? Has provision been made in the Budget estimates for 1931-32 to start the work? If not, are Government prepared to see that funds are made available by reappropriation from some other head?

The Honourable Sir George Rainy: The plans and estimates have not yet been received by the Government of India but are expected before long.

Owing to the existing financial stringency, Government have been unable to allot funds for new major works during 1931-32.

REPRESENTATIONS ON BEHALF OF THE SHOLAPUR CONVICTS.

767. ***Mr. N. R. Gunjal:** (a) Will Government be pleased to state the number of copies of resolutions received by them from various public meetings, held all over India, requesting His Excellency the Viceroy to show mercy to the four Sholapur riot convicts, lately hanged?

(b) Will Government be pleased to state separately the numbers of applications received by them from:

- (i) The Members of Legislative Assembly,
- (ii) The Members of Council of State,
- (iii) The Members of Chamber of Princes,

requesting His Excellency the Viceroy to show mercy to the four Sholapur riot convicts, lately hanged?

The Honourable Sir James Ormer: (a) 90.

(b) (i) 27.

(b) (ii) 4.

(b) (iii) Nil.

ARRESTS UNDER THE RECENT ORDINANCES.

768. *Mr. N. R. Gunjal: Will Government be pleased to place on the table a statement showing separately the names, castes, vocations, and qualifications of each of the persons arrested under the various Ordinances since 1st January, 1930, in each district in India?

The Honourable Sir James Orerar: The Honourable Member will doubtless realise that it is not a practicable proposition to collect all the information he wants. I have, however, the approximate total number of persons convicted under the various Ordinances and I lay on the table a statement giving the figures.

STATEMENT.

Statement showing the approximate number of persons convicted under various Ordinances of 1930.

Ordinance.	Approximate number of persons convicted.
No. I	460*
No. III	12
No. IV	57
No. V	19,475
No. VI	2,188
No. VIII	21
Total	22,153

* Detained in Bengal under the Bengal Criminal Law (Amendment) Act No. VI of 1930 which replaced Ordinance I of 1930.

(Note.—Ordinances II, VII and X relate to the Press and Ordinance IX to unlawful associations and do not empower arrests and convictions.)

TRAVELLING ALLOWANCE OF MEMBERS OF THE LEGISLATURES.

769. *Bai Bahadur Sukhray Bai: (a) Will Government be pleased to state what are the reasons for the discontinuance of eight-monthly return tickets on the East Indian Railway?

(b) Are Government aware that Members of the Legislatures find it difficult to meet their expenses in connection with railway fare from the travelling allowance allowed to them on account of this discontinuance?

(c) If so, is there any proposal for increasing the travelling allowance from 1½th to the old rate of double the first class fare in view of this change?

The Honourable Sir George Schuster: (a) It did not pay the East Indian Railway to issue them.

(b) Government have received no such complaint.

(c) Does not arise.

SEPARATION OF THE EXECUTIVE FROM THE JUDICIARY.

770. ***Rai Bahadur Sukhraj Rai:** (a) Is there any proposal for separating the executive from the judiciary in the future constitution of India?

(b) If so, are Government prepared to issue now a circular to all executive officers to try cases judicially and without any prejudice in the period of transition?

The Honourable Sir James Crerar: (a) This specific proposal has not yet been considered as part of the constitutional problems discussed at the Round Table Conference.

(b) Does not arise.

Mr. K. Ahmed: In view of the fact that this Assembly in 1923 adopted a Resolution for separating the executive from the judiciary, and in view of the fact that successive Home Members thereafter made statements that the matter was under consideration, will the Honourable Member be good enough to enlighten this House as to why effect was not given to the recommendation before the Round Table Conference took place? If they really wanted to give effect to the recommendation, why did they not take action before the Round Table Conference took place?

The Honourable Sir James Crerar: The position was fully explained in a reply given by the Honourable Mr. Haig on the 11th September, 1928, in the Council of State, and I would draw the Honourable Member's attention to that reply.

Mr. K. Ahmed: Before the arrival of Mr. Haig in the Council of State, was not that answer given in this very House,—I cannot say anything about the other place. Why did not Government take adequate steps to give effect to the recommendation in view of the fact that provinces like Bengal, and other major provinces have already said that effect will be given to such a recommendation very soon?

The Honourable Sir James Crerar: The matter may very well be discussed, and probably will be discussed in connection with the new Constitution, and I cannot add anything more to what is stated in the answer to which I have referred.

DEPLORABLE CONDITION OF THE PADDY AND RICE TRADE.

771. ***Mr. M. Maswood Ahmad:** Are the Government of India aware of the deplorable state of the paddy and rice trade? If so, will they be pleased to state the steps taken to relieve the distress with regard to the following:

(a) marketing of paddy and rice in India;

(b) reduction in railway freight from stations in Bihar to the stations on the Western India and to the ports of India?

The Honourable Khan Bahadur Mian Sir Fazl-i-Husain: (a) Government are aware that the prices of rice and paddy have fallen in sympathy with other cereals, but the actual trade in these commodities would seem to be somewhat better than in the previous years, since exports of rice for 1930 were 2,579,000 tons compared to 1,998,000 tons in 1929 and 1,754,000 tons in 1928. The internal consumption of rice in India and Burma amounts to some 28 million tons per annum.

(b) The reduction of railway freight rates is a matter for Railway Administrations to consider. Government have no information, as to whether representations regarding the rates in question have been addressed to the railways concerned and have not received any advice that rates have been reduced recently for the commodities mentioned in bookings from Bihar to the places referred to.

Diwan Bahadur T. Rangachariar: Do the figures given by the Honourable Member include exports from Burma or from India proper?

The Honourable Khan Bahadur Mian Sir Fazl-i-Husain: I am afraid I could not answer that question.

Diwan Bahadur T. Rangachariar: Will the Honourable Member be pleased to give information as to the causes of stagnation of paddy and rice in the Madras Presidency? There is no movement at all there.

The Honourable Khan Bahadur Mian Sir Fazl-i-Husain: Is that really so?

Diwan Bahadur T. Rangachariar: Will the Honourable Member make inquiries about it?

The Honourable Khan Bahadur Mian Sir Fazl-i-Husain: I will, certainly.

DEPLORABLE CONDITION OF THE *KHESARI* TRADE.

772. ***Mr. M. Maswood Ahmad:** Are the Government of India aware of the deplorable state of the *Khesari* trade? If so, will they be pleased to state the steps taken to relieve the distress with regard to the following:

(a) marketing of *Khesari* in India and especially at the port of Calcutta;

(b) reduction in railway freight from stations in Bihar to Calcutta?

The Honourable Khan Bahadur Mian Sir Fazl-i-Husain: (a) Government are not aware that there is any distress in the *Khesari* trade.

(b) I would refer the Honourable Member to part (b) of the reply I have given to his previous question.

RESOLUTION OF THE PATNA DISTRICT BOARD.

773. ***Mr. M. Maswood Ahmad:** (a) Will Government kindly place on the table a copy of resolution No. 20(2) accepted by the Patna District Board in a meeting held on the 30th October, 1929?

(b) Will Government kindly place on the table a copy of the reply of the Divisional Superintendent, East Indian Railway, Dinapore Division, in answer to letter No. G.-2350/8-Y, dated the 21st November, 1929, from the Chairman of the Patna District Board to the Traffic Superintendent incharge of the Patna-Gaya Branch?

(c) Will Government please say what action is being taken in the matter?

(d) Will Government please say what will be the approximate cost if the recommendation of the District Board be accepted and when the work will be taken up?

Mr. A. A. L. Parsons: I should have found it more easy to reply to the Honourable Member, if he had given some indication of the subject matter of the correspondence of 1929 to which he refers. If he will do so, I will see what information I can procure for him.

APPOINTMENT OF MUSLIMS ON RAILWAYS.

774. ***Mr. M. Maswood Ahmad:** (a) Is it a fact that the percentage of Muslim gazetted officers on the 1st April, 1930, on:

- (i) State-managed railways was 4.33; and
- (ii) Company-owned railways (excluding H. E. H. the Nizam's Guaranteed State and Jodhpur Railways) was 1.83?

(b) Is it a fact that the percentage of Muslim subordinates on scales of pay rising to Rs. 250 per mensem and over on the 1st April, 1930, on:

- (i) Class I State-managed railways was 5.09; and
- (ii) Company-managed railways (excluding the H. E. H. the Nizam's Guaranteed State and Jodhpur Railways) was 2.33?

(c) If the reply to parts (a) and (b) above be in the negative, will Government please give the correct percentage?

(d) If the reply be in the affirmative, what steps have been taken by Government and what do they propose to take in future, so that the Muslim percentage in these services may rise adequately?

Mr. A. A. L. Parsons: (a) and (b). The figures given by the Honourable Member agree with those given on pages 58 and 59 of Volume I of the Report by the Railway Board on Indian Railways for 1929-30.

(c) Does not arise.

(d) I would refer the Honourable Member to the pamphlet on the Representation of Indians in the railway services which has been distributed to Members of this House and to the recent debates on the Railway Budget.

APPOINTMENT OF MUSLIMS ON RAILWAYS.

775. ***Mr. M. Maswood Ahmad:** (a) Is it a fact that out of 14 permanent vacancies among the gazetted ranks actually filled during the year 1929-30 in the Engineering Department on State-managed railways, only one Mussalman was appointed, and in the Transportation (Power) and Mechanical Engineering Departments on State-managed railways out of 11 vacancies not a single Muslim was appointed?

(b) Is it a fact that out of 59 permanent vacancies among the Gazetted ranks actually filled during 1929-30 in the Agency, Accounts, Engineering, Transportation and Commercial, Mechanical, Store and other Departments of Company-managed railways (excluding H. E. H. the Nizam's Guaranteed State and Jodhpur Railways) not a single Muslim was appointed to these posts?

Mr. A. A. L. Parsons: The answer to both parts of the Honourable Member's question is in the affirmative.

CARICATURE IN THE PAGEANT OF THE PEOPLE'S FETE.

776. *Pandit S. N. Sen: (a) Are Government aware that the pageant in connection with the 'People's Fête' on the 11th February, 1931, included a caricature of a Hindu couple of rather tender age with the following words inscribed on their carriage: "Only afraid of Sarda Act"?

(b) Are Government aware that the above caricature caused resentment among certain sections of Indians?

(c) If so, do Government propose to take steps to assuage their feelings?

(d) Who is the originator of the idea of the above caricature?

(e) Are Government aware that there has been a proposal among some Indians for caricaturing the evil effects of late-marriage?

(f) If so, are Government prepared to take steps to prevent the proposed caricature?

Mr. J. A. Shillidy: (a) to (d). The arrangements for the pageant were in the hands of a Committee over which Government exercised no control, as I have already stated in this House. It is not believed that the carriage and inscription referred to could have provoked any such feeling as is suggested by the Honourable Member.

(e) No.

(f) Does not arise.

QUANTITY OF STEEL MANUFACTURED IN INDIA.

777. *Pandit S. N. Sen: Will Government be pleased to lay on the table a statement showing the increase in the quantity of steel manufactured in India during the years 1925-26, 1929-30?

The Honourable Sir George Rainy: A statement containing the information is laid on the table.

*Production of steel (ingots) in India
from 1924-25 to 1929-30.*

	Production.	Increase + or decrease — over previous year's pro- duction.
	Tons.	Tons.
1924-25	370,000	..
1925-26	471,000	+101,000
1926-27	530,000	+59,000
1927-28	600,000	+70,000
1928-29	396,000	—204,000
1929-30	581,000	+185,000
Increase in production of 1929-30 over that of 1924-25.	..	211,000

COST OF PRODUCTION OF STEEL IN BRITISH INDIA.

778. *Pandit S. N. Sen: Will Government be pleased to lay on the table a statement showing the reduction, if any, in the cost of production of steel in British India during the years 1925-26, 1929-30?

The Honourable Sir George Rainy: I would refer the Honourable Member to Table I on page 78 of the Tariff Board's Report of 1925 regarding the grant of supplementary protection to the Steel Industry, Table I on page 10 of the Tariff Board's Report of 1927, regarding the continuance of protection to the Steel Industry and the statement on page 14 of the Tariff Board's Report of 1930 on additional protection for Galvanised Sheets. These statements contain detailed information regarding the cost of production of the different forms of finished steel in the works of the Tata Iron and Steel Company.

COMPILATION OF FIGURES OF THE QUANTITY AND VALUE OF IRON AND STEEL PRODUCTS.

779. *Pandit S. N. Sen: (a) Are Government aware that in the Statistical Abstract for British India compiled by the Department of Commercial Intelligence and Statistics, no figures about the quantity and value of iron and steel products in British India are given?

(b) If the answer to part (a) be in the affirmative, are Government prepared to take necessary steps to incorporate these figures in the official publication referred to above?

The Honourable Sir George Rainy: (a) Yes.

(b) The suggestion of the Honourable Member will be considered, but I would draw his attention to the Review of Trade of India which contains figures of production of pig iron and steel in India.

EXPENDITURE INCURRED ON THE INAUGURAL FUNCTIONS IN NEW DELHI.

780. *Pandit S. N. Sen: (a) Will Government be pleased to state:

- (i) the total expenditure on the functions in connection with the Inauguration of New Delhi; and
- (ii) the total amount of money spent on catering for the guests assembled in the Fort in connection with the People's Fête on the 11th February, 1931?

(b) Is it a fact that the police and the C. I. D. people formed a very large majority of the guests that chose to make use of the refreshments supplied?

(c) Was liquor also supplied along with tea and other refreshments?

(d) Was any amount allotted to the feeding of the poor?

Mr. J. A. Shillidy: (a) (i). I regret that the information is not yet available as the accounts have not been closed. I may, however, say that the estimated expenditure is Rs. 2,62,000 and there are likely to be some savings on this estimate.

(ii) Rs. 14,000.

(b) No.

(c) No. It was supplied after tea in accordance with the usual custom at similar parties.

(d) The reply is in the negative.

Mr. K. Ahmed: How do Government propose to spend this surplus money as there will be some savings, as admitted by the Honourable Member?

Mr. J. A. Shillidy: If it is a surplus saving, it will be a saving, and we do not propose to spend it.

Mr. K. Ahmed: Will it be credited to revenue or to what account?

Mr. J. A. Shillidy: It will be credited

Mr. K. Ahmed: In the name of?

Mr. J. A. Shillidy: 57 Capital.

PROVISION OF RAILWAY FACILITIES FOR PILGRIMS TO RAMESWARAM.

781. ***Mr. B. Rajaram Pandian:** (a) Will Government be pleased to state if it is a fact that the South Indian Railway through trains from Madras to Dhanushkody do not reach Rameswaram, and go straight from Pamban to Dhanushkody and *vice versa*?

(b) Are Government aware of the difficulties caused to the pilgrims by such an arrangement, who have to change train at Pamban for going to Rameswaram?

(c) Are Government prepared to issue instructions to run one or two trains specially for pilgrims direct to Dhanushkody from Madras touching Rameswaram with a sufficient number of upper class compartments with a dining car and with a buffet for Indian passengers?

(d) If the answer to part (c) is in the negative, do Government propose to devise some other way of reducing the difficulties of the pilgrims by having through carriages (both upper class and third class) in the Madras-Dhanushkody trains for Rameswaram which may be detached at Pamban and run direct to Rameswaram? If not, why not?

Mr. A. A. L. Parsons: Arrangements as to the routing and composition of particular trains are not matters in which Government can take part, but a copy of this question and answer will be sent to the Agent of the South Indian Railway.

THIRD CLASS RAILWAY FARE ON THE SOUTH INDIAN RAILWAY.

782. ***Mr. B. Rajaram Pandian:** (a) Will Government be pleased to state if the South Indian Railway Company has a scheme to enhance the third class railway fare?

(b) If so, what are the reasons for the proposed enhancement?

(c) Are Government prepared to issue instructions to defer the increase in the third class railway fare on the South Indian Railway until the people recover from the impoverishing effects of the recent heavy floods in South India?

Mr. A. A. L. Parsons: (a), (b) and (c). I heard a little time ago informally that the Agent was examining the question among other measures to relieve the present financial position; but I am not sure that he is pursuing it further. I will send him a copy of the Honourable Member's question and ascertain what the present position is.

ARREST OF MESSRS. VIRENDRA AND IHSAN ELLAHI. .

783. ***Mr. Jagan Nath Aggarwal:** (a) Is it a fact that Messrs. Virendra and Ihsan Ellahi were arrested in Lahore on the 10th of February, 1931, under Regulation III of 1818?

(b) Will Government be pleased to inform the House of the circumstances which necessitated the above action?

(c) Have the persons arrested been informed of the charges against them and the evidence on which these charges are based?

(d) If not, do Government intend to give them an opportunity of meeting these charges and of rebutting the evidence by cross examining the witnesses or otherwise in order to clear their position?

(e) Is it also a fact that one of the persons arrested, *viz.*, Virendra, is a fourth year student in a local college at Lahore and was recently discharged by the committing Magistrate inquiring into the Lahore University Hall outrage case, as there was no *prima facie* case against him?

(f) Will Government be further pleased to inform the House if any steps have been taken to enable him to complete his studies for his forthcoming degree examination?

(g) What arrangements have been made for his health and comfort and are interviews allowed with his friends and relations?

(h) Will Government take the public into their confidence and place the necessary papers on the table of the House to inform the public of the grounds on which their action was based?

The Honourable Sir James Crerar: (a) Yes.

(b) and (h). Government are fully satisfied on grounds which it would not be in the public interest to divulge that both these persons are important members of the terrorist party who are deeply concerned in revolutionary conspiracies in the Punjab.

(c) and (d). The evidence on which their detention has been ordered will be placed before two Sessions Judges for scrutiny and report and in connection with this examination charges will be drawn up and communicated to each and their answers recorded.

(e) Yes.

(f) The matter is under consideration.

(g) Suitable arrangements have been made for their health and comfort and interviews are permitted in accordance with the rules prescribed in the case of State prisoners.

Mr. B. Das: What is the necessity of still detaining them when the committing Magistrate acquitted them?

The Honourable Sir James Crerar: Will the Honourable Member speak a little louder?

Mr. B. Das: What is the necessity of still detaining these two young men when the committing Magistrate has found no fault with them?

The Honourable Sir James Crerar: There are allegations against them beyond those in issue before the committing Magistrate.

Mr. Gaya Prasad Singh: On what materials do Government hold that these people are guilty of terrorist crimes?

The Honourable Sir James Crerar: As I have stated, the papers will be laid before two Sessions Judges and examined by them.

Mr. Gaya Prasad Singh: Will these people be asked to enter into defence or give any sort of explanation?

The Honourable Sir James Crerar: I have already explained that they will have an opportunity of replying.

REPORT OF THE CIVIL JUSTICE COMMITTEE.

784. ***Pandit Ram Krishna Jha:** Will Government be pleased to state:

- (a) what action, if any, has yet been taken by Government on the Report of the Civil Justice Committee; and
- (b) if no action has yet been taken, will Government be pleased to state whether any action is in contemplation; if not, why not?

The Honourable Sir James Crerar: (a) The Honourable Member is referred to my answer to Mr. Duraiswamy Aiyangar's starred question No. 38 on the 20th January, 1930.

(b) Does not arise.

NEED OF THROUGH TRAINS FROM BHAPTIAHI TO PALEZAGHAT *via* DARBHANGA.

785. ***Pandit Ram Krishna Jha:** (a) Are Government aware that the passengers, particularly litigants of the Darbhanga and North Bhagalpur Districts feel it a very great inconvenience for the want of through trains running from Bhaptiahi to Palezaghat *via* Darbhanga and *vice versa* on the Bengal and North-Western Railway?

(b) Are Government aware that there were for any number of years, such through trains running and that they were then suddenly stopped?

(c) Are Government prepared to direct the Bengal and North-Western Railway authorities to arrange to run through trains at an early date between these two stations?

Mr. A. A. L. Parsons: (a) No.

(b) No, but I gather that the Honourable Member has satisfied himself that such was the case.

(c) A copy of this question and of my reply will be sent to the Agent, Bengal and North-Western Railway, for his information.

PROVISION OF INDIAN STYLE LAVATORIES IN RAILWAY CARRIAGES AND WAITING ROOMS.

786. ***Pandit Ram Krishna Jha:** (a) Are Government aware that in the Bengal and North-Western Railway there is no lavatory of the Indian style provided in the 1st and 2nd class compartments or in any one of their waiting rooms, and that the Indian public are experiencing inconvenience?

(b) Are Government aware that in most of East Indian Railway 1st and 2nd class carriages, no lavatory of the Indian style is yet provided and that similarly in their waiting rooms, there is none such?

(c) Have Government considered the question of directing the Bengal and North-Western Railway and the East Indian Railway authorities to take early steps to provide lavatories of Indian style in all their 1st and 2nd class carriages and in the waiting rooms?

(d) Are Government aware that the railway authorities (i.e., East Indian and Bengal and North-Western Railways) have not yet provided waiting rooms for inter class passengers, in most of their important stations?

(e) Are Government prepared to direct these railway authorities to provide waiting rooms for inter class passengers?

Mr. A. A. L. Parsons: (a) and (b). Government are aware that no Indian style lavatories are provided in 1st and 2nd class compartments and waiting rooms on the Bengal and North-Western Railway nor in most of the 1st and 2nd class carriages and waiting rooms on the East Indian Railway.

(c) Government do not generally lay down the particular conveniences to be provided in rolling stock or in waiting rooms. Administrations are expected, subject to practical and financial considerations, to make such provisions as will best meet the requirements of the travelling public and are encouraged to obtain advice from their local Advisory Committees if in doubt.

(d) Government are aware that at many stations which might be classed as important, separate intermediate class waiting room accommodation is not provided.

(e) Government are not prepared to direct Railway Administrations to provide waiting rooms for intermediate class passengers, but where the number of intermediate class passengers justifies the provision of separate accommodation, the Railway Board would be prepared to consider provision being made when new stations are being built or existing stations remodelled.

FALL IN PRICES OF NECESSITIES.

787. ***Pandit Ram Krishna Jha:** (a) Are Government aware of the scarcity of money in the interior of the country in almost every district?

(b) Are Government aware that there is a general fall in the price of all articles of necessities?

(c) Are Government contemplating a general reduction in the salary of all public servants? If not, why not?

The Honourable Sir George Schuster: (a) Government are aware that, owing to the low price of agricultural products, the resources of the agriculturists have been adversely affected.

(b) Government are aware of falls in the prices of a number of staple commodities.

(c) I dealt with this question in my Budget speech on the 28th February.

TELEPHONE SERVICE IN BHAGALPUR.

788. ***Rai Bahadur Sukhraj Rai:** Will Government be pleased to state:

- (a) whether the telephone service in Bhagalpur has been introduced as a profitable business or to serve some other purpose of Government or for the benefit of the citizens of Bhagalpur;
- (b) what is the total number of subscribers and the amount of subscription that each subscriber has to pay for residential as well as office connections? Will there be any concession in subscriptions if both the residential as well as office connections are taken together by one subscriber; and
- (c) when do Government propose to connect the service with other big cities on the trunk lines, as has been done in the case of Gaya?

Mr. H. A. Sams: (a) The telephone service at Bhagalpur has been established on a commercial basis for the benefit of the citizens of Bhagalpur.

(b) The present number of connections to the Exchange is 59. A subscriber has to pay both for residence and office connections at the rate of Rs. 175 per connection per annum. The annual rental is fixed for each connection and no concession can be allowed in cases in which a residential connection and an office connection are taken by one subscriber.

(c) The question of providing Trunk facilities has been considered, but had to be dropped on account of financial stringency. The matter will again be considered when the financial position improves.

FUNCTIONS OF INSPECTORS OF INCOME-TAX.

789. ***Rai Bahadur Sukhraj Rai:** (a) Will Government be pleased to state what are the functions of Inspectors of Income-tax?

(b) Are Government aware of the general impression that these Inspectors act as the Agents of the C. I. D. in the Department of Income-tax? If so, what steps have they taken to remove this impression?

(c) Do Government propose to issue instructions to the Income-tax Department that during the present period of trade depression they should not be hard upon the assesseses?

(d) Are Government aware of the hardships caused to the assesseses by the too frequent use of section 23(4) of the Income-tax Act of 1922, for making arbitrary assessments? Are there any special instructions on the point?

The Honourable Sir George Schuster: (a) The functions of Inspectors of Income-tax are to assist the Income-tax Officers by collecting information in regard to actual or potential assesseees.

(b) The Government are not aware of any misapprehension concerning the functions of these officials that it is necessary to remove.

(c) and (d). No.

PROVISION OF A WAITING ROOM FOR PILGRIMS AT NATHNAGAR RAILWAY STATION.

790. *Rai Bahadur Sukhraj Rai: (a) Will Government be pleased to state whether they are aware that thousands of Jain pilgrims from the remotest corners of India detrain and entrain every year at Nathnagar station on the loop line of the East Indian Railway to visit the sacred temple of Sri Bas Pujya at Champapur?

(b) Is there any waiting room at Nathnagar station?

(c) If not, do Government intend to build a waiting room to provide accommodation for these pilgrims at the station at an early date?

Mr. A. A. L. Parsons: (a), (b) and (c). Government are not aware of the exact arrangements at this station, but a copy of the Honourable Member's question is being sent to the Agent, East Indian Railway, for his consideration.

COMMUNICATIONS ON MONEY ORDER FORMS.

791. *Mr. Muhammad Anwar-ul-Azim: (a) Will Government be pleased to state whether it is a fact that the rates of commission for ordinary inland, rent and revenue and road cess money orders are the same and that it is permissible to write (by the remitter) the purpose of the money orders except in the case of the ordinary inland money orders?

(b) Will Government be pleased to state whether it is also a fact that Government officials are permitted to state briefly on the acknowledgment portion of the ordinary inland money order forms the purpose of remittances made by them? If so, will Government be pleased to state the reasons why this is permissible only to Government officials and not to the public at large?

(c) If the facts stated above are correct, do Government propose to permit the writing of the purpose of the remittance on the acknowledgment portion of the ordinary inland money order forms as a matter of actual necessity either by the provision of a rule for the purpose or by providing suitable space on the forms? If not, will they be pleased to state the reasons?

Mr. H. A. Sams: (a) Yes.

(b) The reply to the first part is in the affirmative. The reply to the second part is that such permission would open the door to fraud and abuse.

(c) No. Obviously it cannot be made obligatory for a remitter to write the purpose of the remittance on the acknowledgment portion of the money order form. Nor can it be made optional for the reasons given in my reply to part (b).

UNSTARRED QUESTIONS AND ANSWERS.

INTERPRETATION OF THE TERM "MINORITY COMMUNITY", AS APPLICABLE TO THE NORTH WEST FRONTIER PROVINCE.

236. **Khan Bahadur Haji Wajihuddin:** With reference to the reply given by Government to question No. 528, asked on the 16th September, 1929, by the Honourable Nawab Muhammad Ismail Khan, will Government be pleased to state what decision has been arrived at about the question which has been under their consideration for a long time relating to the interpretation to be placed on the term "minority community" in its application to a province like the North West Frontier Province, in which the Muslims although a majority community have been allowed an insignificant proportion in provincial ministerial establishment in the Postal Department?

The Honourable Sir James Orerar: I am sorry that no decision has yet been reached chiefly because at a subsequent date it was decided that the effect of the orders of the 5th February, 1926, in regard to communal inequalities, should be examined with a view to see whether they had produced adequate results. This review is still being made and I hope it will be possible before long to come to final conclusions on this question.

CONSTRUCTION OF THE ISHURDI-PABNA-BERA RAILWAY.

237. **Mr. S. O. Mitra:** (a) Will Government be pleased to state when the revised traffic and engineering estimates on the Ishurdi-Pabna-Bera Railway projects were submitted to the Railway Board by the Agent, Eastern Bengal Railway?

(b) What are the figures of anticipated return and capital outlay on the Ishurdi-Bera-Pabna Railway according to (i) Mr. Pearce, Agent, and (ii) Mr. Edwards, late Engineer-in-Chief, Constructions and Director of Surveys, Eastern Bengal Railway?

(c) What were the anticipated return and capital outlay and mileage of (1) the "Ishurdi-Pabna-Sadhuganj" Railway according to the traffic and engineering estimates prepared in 1914-16 by Mr. Yeld, D.T.S., Mr. W. C. Stratton, Engineer-in-Chief and Rai Sahib J. N. Bose and (2) the Ishurdi-Pabna-Bera Railway according to the Revised Traffic Estimates prepared by Mr. Bhandarkar and also by Mr. Pearce, Agent, Eastern Bengal Railway?

(d) When was the Ishurdi-Pabna-Bera Railway project actually considered by the Railway Board and with what result?

(e) Is it not a fact that the construction of these railways by State enterprise was recommended, which would yield a return of at least 5 per cent. on capital expenditure?

Mr. A. A.-L. Parsons: (a) In December, 1928.

(b) (i) 4.35 per cent. on Rs. 59,00,000 (Estimate of 9th July, 1930), and
(ii) 5.64 per cent. on Rs. 45,83,000.

(c) (1)—	Mr. Yeld.	Mr. Stratton.	Mr. Bose.
Anticipated Return	3 per cent.	4.75 per cent.	4.75 per cent.
Capital Outlay	Rs. 54,15,198	Rs. 43,00,000	Rs. 43,00,000
Mileage	46.3	45.48	45.48.
(2)—	Mr. Bhandarkar.	Mr. Pearce.	
Anticipated Return	5 per cent.	5.64 per cent. (Estimate of 26th November, 1928.)	
Capital Outlay	Rs. 45,83,000	Rs. 45,83,000.	
Mileage	48	48.	

(d) The project was considered during the years 1929 and 1930. The Railway Board decided to shelve the project indefinitely as unremunerative.

(e) Construction of railways by State agency is recommended when the estimated net earnings to be derived from them show an adequate return on the capital cost. The adequacy of return depends on the rate at which Government can borrow money.

CONSTRUCTION OF THE ISHURDI-PABNA-BERA RAILWAY.

238. **Mr. S. C. Mitra:** (a) Is it a fact that Pabna is the only district town in North Bengal which is unconnected by railway?

(b) Is it a fact that the local steamer service between Pabna-Paksey and Pabna-Kustia has been discontinued from 1926 and there is no other mode of communication to Ishurdi Station except by motor cars and buses?

(c) Is it a fact that there have been many motor accidents on the Ishurdi-Pabna road leading to many casualties in one of which the Eastern Bengal Railway had to pay heavy damages for the death of one person and injuries to several persons in consequence of a decree passed by the Court of the First Subordinate Judge of Pabna?

(d) What steps do Government propose to take now regarding the construction of the Ishurdi-Pabna-Bera Railway?

(e) Are Government prepared to consider the question of undertaking the construction of this railway by private enterprise and giving a Government guarantee for raising the required capital? If not, why not?

(f) Will Government be pleased to state whether any line has been constructed in British India by private enterprise without Government guarantee?

(g) Will Government be pleased to state the maximum and minimum guarantees given by Government for the construction of lines in British India by private enterprise (i) during construction and (ii) afterwards?

Mr. A. A. L. Parsons: (a) Yes.

(b) Government have no information.

(c) Government have no information as regards the number of motor accidents on the Ishurdi-Pabna road. In one case the Eastern Bengal Railway have had to pay damages in connection with an accident which occurred at the South Level Crossing gate at Ishurdi Station.

(d) From investigations made, the traffic prospects of the Ishurdi-Pabna-Bera Railway do not hold out hopes of an adequate return on capital and Government, therefore, propose to take no further action regarding this project at present.

(e) The policy of Government in respect of construction of railways is laid down in the Government of India, Railway Department, Resolution No. 2181-F., dated the 19th February, 1925, which is printed as Appendix "E" to the Report on Indian Railways for 1929-30 (Volume I), a copy of which is available in the Library of the House.

(f) Yes.

(g) The maximum guarantee ever given by Government was $4\frac{1}{2}$ per cent. from the year in which interest ceased to be paid from capital. The normal rate used to be $3\frac{1}{2}$ per cent.

BOOKING OF PARCELS AT ISHURDI RAILWAY STATION.

239. **Mr. S. C. Mitra:** (a) Will Government be pleased to state whether it is a fact that the Traffic Manager, Eastern Bengal Railway, in his No. G T-996-2/P.-I., dated the 1st October, 1929, to the Secretary, Rate Payers' Association, Pabna, approved of the introduction of local booking of parcels in the new Booking Office at Ishurdi Station?

(b) Is it a fact that the District Traffic Superintendent, Commercial, Eastern Bengal Railway, Paksey, was advised to arrange booking of parcels at the new Booking Office at Ishurdi and this was communicated to the Secretary, Rate Payers' Association, Pabna, and also to the Secretary, Salop Passengers' and Merchants' Union by the Traffic Manager's letter No. F. G.-67/2, dated the 18th January, 1930?

(c) Is it a fact that the District Traffic Superintendent, Commercial, Paksey, in his letter No. G.-E.-933/P.-I., dated the 27th January, 1930, informed the Secretary, Rate Payers' Association, Pabna, that it had been arranged to book parcels at the new Booking Office at Ishurdi from the 1st February, 1930?

(d) Is it a fact that in consequence of the decision referred to in part (b) above only outward booking of parcels was introduced at the new Booking Office at Ishurdi from the 1st February, 1930, and this arrangement remained in force up to the 30th September, 1930?

(e) Is it a fact that the outward booking of parcels has been withdrawn under the orders of the District Traffic Superintendent, Commercial, from the new Booking Office from the 1st October, 1930, and entrusted to the Parcel clerk who was formerly in charge of that work also? When was the said order passed by the District Traffic Superintendent, Paksey?

(f) Did the District Traffic Superintendent, Paksey, make this order of his own accord or with the sanction or under the order of either the Agent or the Commercial Manager and, if so, when was such order passed?

(g) Is it a fact that there were several complaints against the Parcel Clerk and the Station Master of Ishurdi also made note in his diary against that clerk in connection with some consignment?

Mr. A. A. L. Parsons: With your permission, Sir, I propose to answer this and the following question (No. 240) together.

The Agent, Eastern Bengal Railway, has been asked to furnish information regarding the Honourable Member's queries and I will communicate with him later.

BOOKING OF PARCELS AT ISHURDI RAILWAY STATION.

240. **Mr. S. C. Mitra:** (a) Is it a fact that the merchants of Ishurdi sent a message to the Commercial Manager, Eastern Bengal Railway, praying for his personal enquiry into the matter and cancellation of the orders passed by the District Traffic Superintendent regarding the local booking of parcels in Ishurdi? If the reply is in the affirmative, has any personal enquiry been made into this matter and, if so, when, by whom and in what manner was it held and with what effect?

(b) Is it a fact that representations on behalf of the merchants of Ishurdi regarding this matter were made to the Agent, Commercial Manager and Transportation Manager complaining of great disadvantage and whether any steps have been taken to redress this grievance?

(c) Is it a fact that the outward booking of parcels was introduced at the new Booking Office after 16 months' repeated representations and interviews with the Agent and Deputy Traffic Manager (Commercial), Eastern Bengal Railway, and in making this introduction, the Traffic Manager in his No. F. G.-67/12, dated the 18th January, 1980, hoped that there would be no further cause for complaint?

(d) Is it a fact that the introduction of outward booking of parcels at the new booking office cost very little to the Railway Administration?

(e) Is it a fact that the Parcel Office is situated at a distance of about 1,500 yards from the new Booking Office at Bazaar and there is no other approach to it except by crossing an over-bridge and two platforms?

(f) Is the platform ticket system in force at Ishurdi Station? Are Government aware that people going to the Parcels Office have to pass by the platform and thereby run the risk of being charged for travelling without ticket?

(g) Are Government prepared to consider the desirability of asking the Agent of the Eastern Bengal Railway to hold a public inquiry regarding this grievance of the merchants of Ishurdi and take immediate steps to re-introduce outward and introduce inward booking of parcels at the new Booking Office at Ishurdi Station without any further delay? If not, why not?

SEATS ALLOTTED TO VARIOUS COMMUNITIES ON THE MUNICIPAL COMMITTEE OF PESHAWAR.

241. **Khan Bahadur Haji Wajihuddin:** Will Government be pleased to state the number of elected and nominated seats allotted to Muslims, Hindus and Sikhs in the Municipal Committee of Peshawar in the elective system introduced in the Province this year and the consideration on which they were based?

† For answer to this question, see answer to question No. 239.

The Honourable Khan Bahadur Mian Sir Fazl-i-Husain: The distribution of seats on the reconstituted Municipal Committee, Peshawar, has not yet been settled, as the voters' registers are still in course of preparation.

APPOINTMENT OF MUSLIMS IN THE MILITARY ENGINEERING SERVICE IN THE DISTRICT OF PESHAWAR.

242. Khan Bahadur Haji Wajihuddin: (a) Are Government aware that the establishment serving at present in the Military Engineering Service in the District of Peshawar is as shown in the following statement:

Names of Appointments.	Commanding Royal Engineer, Peshawar, and A. C. R. E.		Garrison Engineer, Peshawar.		Garrison Engineer, Khyber.		Garrison Engineer, Nowshera.		Garrison Engineer, Risalpur.		Garrison Engineer, Hazara.		Total.	
	Muslims.	Non-Muslims.	Muslims.	Non-Muslims.	Muslims.	Non-Muslims.	Muslims.	Non-Muslims.	Muslims.	Non-Muslims.	Muslims.	Non-Muslims.	Muslims.	Non-Muslims.
Sub-Divisional Officers (Pt.).	...	2	1	2	...	3	...	2	...	1	...	3	1	13
Sub-Divisional Officers (Ty.).	...	...	...	...	...	...	...	...	...	...	...	...	...	...
Sub-Overseers (Pt.).	...	...	2	10	2	2	...	2	2	3	2	4	8	21
Sub-Overseers (Ty.).	...	...	5	3	2	3	2	4	1	6	...	1	10	17
Clerks (Pt.).	3	5	1	3	5	4	...	3	...	3	4	1	13	19
Clerks (Ty.).	16	27	4	17	3	2	4	7	2	9	3	3	32	65
Draftsmen (Pt.).	6	1	...	...	1	1	1	...	...	...	...	1	8	3
Draftsmen (Ty.).	3	9	...	2	1	...	...	...	...	1	...	...	4	12
Storekeepers (Pt.).	...	1	...	...	1	...	1	...	...	1	...	...	2	2
Storekeepers (Ty.).	...	...	1	...	...	...	...	...	...	...	...	...	1	...
Power House Superintendents (Ty.).	...	...	1	2	1	...	...	...	...	1	...	...	2	3
Total	28	45	15	39	16	15	8	18	5	25	9	13	81	155

(b) Is it a fact that the Muslims form a majority community in the North-West Frontier Province?

(c) How do Government propose to give effect to the aims of their policy of preventing the preponderance of one community in that Department without redressing the communal inequalities by giving the Muslims their due share in the service there?

Mr. G. M. Young: (a) and (c). Information is being called for from the local military authorities, and I will communicate with the Honourable Member when it is received.

(b) Yes.

REPRESENTATION OF MUSLIMS IN THE PROVINCIAL SERVICE IN THE NORTH-WEST FRONTIER PROVINCE.

243. Khan Bahadur Haji Wajihuddin: Will Government be pleased to state what decision has been arrived at by them in respect of the question of interpretation to be placed on the term "minority community" in its application to a province like the North-West Frontier Province, in which although the Muslims form a majority community the non-Muslims enjoy an exceptionally larger share in the Provincial Service?

The Honourable Sir James Crerar: I would refer the Honourable Member to the reply I have given to his question No. 236.

ELECTION OF MEMBERS TO THE AMBALA CANTONMENT BOARD.

244. Khan Bahadur Haji Wajihuddin: (a) Has the attention of Government been drawn to a letter headed "Ambala Cantonment Board Elections" printed on page 14 of the *Hindustan Times*, dated the 13th February, 1931?

(b) Is it a fact that at the last election at Ambala Cantonment held in November, 1927, all the seven elected seats were captured by Hindus?

(c) Did Muslims of Ambala represent to Government to nominate one or two Muslim members on the Board? Were any nominated?

(d) Is it a fact that the election at Ambala Cantonment, which was normally to be held in November, 1930, has been postponed to July and August, 1931?

(e) Is it a fact that postponement was made because the Punjab Government had been contemplating some modification in the election rules of Ambala to safeguard the interests of the minority community and the rules were not ready for publication before the date of elections?

(f) Have these rules now been published by the Punjab Government in the *Punjab Gazette* of the 23rd January, 1931?

(g) Are Government aware of the great hardship that is being experienced owing to the non-representation of Muslims by the Muslim population of about 15,000 at this Cantonment? Do Government propose to advise the Punjab Government to hold the election now at the earliest possible date and not hold it over for any time longer?

Mr. G. M. Young: (a) Yes.

(b) Yes.

(c) No representations were made to the Government of India, but it is understood that the Officer Commanding the Station and the General Officer Commanding-in-Chief the Command, were addressed in the matter. No non-official has been nominated to this Board. Non-officials can only be nominated in displacement of military officers.

(d) Yes.

(e) Yes.

(f) Yes.

(g) The Government of India are in correspondence with the Local Government on the subject.

OVERSEAS WIRELESS TELEPHONY.

245. **Mr. L. V. Heathcoate:** (a) Is it a fact that Government are now or have recently been considering the terms or conditions upon which a licence might suitably be granted to a company for the working of a beam wireless telephony station?

(b) If so, (i) will Government be pleased to give an indication of the extent to which negotiations have progressed; and (ii) are Government prepared to give an undertaking not to proceed so far as to commit themselves to any particular method or process of establishing overseas wireless telephonic communication without the most careful consideration of other and possibly more effective or economical methods or processes?

Mr. J. A. Shillidy: (a) Yes.

(b) (i). The Government of India are in correspondence with agencies which have applied for a license to establish, maintain and work a wireless telephony station. The whole matter is under discussion and it is not advisable to publish details for the present.

(ii) Government, after consultation with its experts, will, before granting a licence to any particular applicant, endeavour to make sure that the method or process proposed to be employed by the applicant is at the time the most effective and the most economical.

MESSAGE FROM THE COUNCIL OF STATE.

Secretary of the Assembly: Sir, the following Message has been received from the Secretary of the Council of State:

"I am directed to state that the Council of State has, at its meeting held on the 26th February, 1931, agreed without any amendments to the following Bills which were passed by the Legislative Assembly at its meetings held on the 2nd and 18th February, 1931, namely:

1. A Bill further to amend the Cantonments Act, 1924, for certain purposes,
2. A Bill to give effect in British India to the Treaty for the Limitation and Reduction of Naval Armament,
3. A Bill to provide for the fostering and development of the gold thread industry in British India, and
4. A Bill to provide for the modification of certain import duties relating to the fostering and development of the steel industry in British India."

ELECTION OF MEMBERS TO THE PUBLIC ACCOUNTS COMMITTEE AND THE GOVERNING BODY OF THE IMPERIAL COUNCIL OF AGRICULTURAL RESEARCH.

Mr. President: Honourable Members will remember that when the motions for the constitution of the Public Accounts Committee and the Governing Body of the Imperial Council of Agricultural Research were made and adopted in the Assembly on the 14th and 16th January, 1931, respectively, it was announced by the Chairman that the dates for nominations and elections would be announced later on. I have now to inform the House that nominations for both the Public Accounts Committee and the Governing Body of the Imperial Council of Agricultural Research will be received up to 12 Noon on Wednesday, the 11th March, while the elections, if necessary, will take place in this Chamber on Monday, the 16th March, 1931.

STATEMENT LAID ON THE TABLE.

CONSTRUCTION OF A CHILDREN'S WARD IN THE PESHAWAR HOSPITAL.

Mr. J. G. Acheson (Foreign Secretary): The information will be laid on the table later.†

THE GOALUNDO GHAT RAILWAY STATION.

Mr. A. A. L. Parsons (Financial Commissioner, Railways): Sir, with reference to the reply I gave on the 29th January, 1931, to Mr. Muhammad Anwar-ul-Azim's question No. 174, I lay on the table a statement containing the information asked for.

STATEMENT.

The average annual cost of shifting the Goalundo Ghat during the past five years has been Rs. 46,719.

It is not feasible to make Faridpur a permanent railway and steamer station as the river is too far away. The Agent of the Eastern Bengal Railway reports that, as far as is known, the nearest a steamer has approached is to Tepakhola some miles away, and then only once during the rains a few years ago; and that the stream is at present so far from Faridpur that there is no record of its relative position.

The figures of expenditure on ghat shifting alone are :

	Rs.
1925-26	44,043
1926-27	16,119
1927-28	29,530
1928-29	93,504
1929-30	50,399

ELECTION OF MEMBERS TO THE GOVERNING BODY OF THE INDIAN RESEARCH FUND ASSOCIATION.

The Honourable Khan Bahadur Mian Sir Fazl-i-Husain (Member for Education, Health and Lands): Sir, I leg to move :

"That this Assembly do proceed to elect, in such manner as the Honourable the President may direct, two members to sit on the Governing Body of the Indian Research Fund Association."

The motion was adopted.

Mr. President: I may inform the House that for the purpose of election of members to the Governing Body of the Indian Research Fund Association the Assembly Office will be open to receive nominations up to 12 Noon on Saturday, the 14th March, while the election, if necessary, will take place in this Chamber on Tuesday, the 17th March, 1931. The election will be held in accordance with the principle of proportional representation by means of the single transferable vote.

†Information promised in reply to a supplementary question to starred question No. 266, asked by Mr. B. R. Puri, on the 2nd February, 1931.

ELECTION OF MEMBERS TO THE CENTRAL ADVISORY COUNCIL FOR RAILWAYS.

Mr. President: Members will now proceed to elect six non-official Members to serve on the Central Advisory Council for Railways. There are 14 candidates whose names are printed on the ballot papers which will now be supplied to Honourable Members in the order in which I call them.

(The ballot was then taken.)

ELECTION OF MEMBERS TO THE STANDING COMMITTEE ON EMIGRATION.

Mr. President: Order, order. Members will now proceed to elect eight non-official Members to sit on the Standing Committee on
12 NOON. Emigration. There are 13 candidates whose names are printed on the ballot papers which will now be supplied to Honourable Members in the order in which I call them.

(The ballot was then taken.)

PROCEEDINGS OF THE ROUND TABLE CONFERENCE IN LONDON.

Mr. President: Order, order. Before I call upon the Leader of the House to move the motion of which he has given notice, I should like to ask Honourable Members to tell me what procedure they desire to follow. Honourable Members are aware that on a motion there is no time limit and therefore, any Honourable Member who catches my eye can continue to speak as long as he likes. It is also to be remembered that the debate which is going to take place today is one in which a large number of Honourable Members would like to participate. I, therefore, called the Leaders of parties to see me on Saturday evening and I put the difficulty to them. After discussion, we came to the conclusion that I should ask Honourable Members whether they would agree unanimously to impose a time limit upon themselves, and it was suggested that that time limit should be 20 minutes. That would enable a fair number of Honourable Members to take part in the discussion. This morning the question was discussed with the Honourable the Leader of the House and it was represented to him that, even if a time limit of 20 minutes was imposed, it would hardly be possible to conclude the debate in one day; I am glad to be able to say that he has authorised me to inform the House that, if so desired, Government will have no objection to meeting on Saturday to continue this debate. (Applause.) In view of all this, I wish to ask Honourable Members whether they will unanimously agree to impose upon themselves a time limit of 20 minutes, so that a large number of Honourable Members may be able to take part in the discussion during the two days that are now available to them. Will Honourable Members please intimate to me whether they agree that I should enforce a time limit of 20 minutes? (*Cries of "Yes."*) I take it that there is no dissentient voice to the imposition of this time limit. (*Cries of "No."*) Then the time limit of 20 minutes will be imposed.

The Honourable Sir George Rainy (Leader of the House): Sir, I move:

"That the Parliamentary papers in connection with the Indian Round Table Conference be taken into consideration."

I put down this motion, Mr. President, not with the intention of making a speech about it but because I was given to understand that, on the whole, the opinion of the House favoured this as the best method of initiating the discussion. My function therefore is in some respects similar to that of the local magnate who starts a football match by kicking off (Laughter) and I content myself with formally moving the motion.

Dewan Bahadur T. Rangachariar (South Arcot *cum* Chingleput: Non-Muhammadan Rural): Sir, I confess to a feeling of both pleasure and pain in coming forward to open the debate on this most important subject. The pleasure is that, notwithstanding the gloomy forebodings we had in 1930, when this Round Table Conference was announced and was meeting, that Conference if it has not resulted in entirely satisfactory results, has given us a foundation and a grounding which cannot but be considered satisfactory. Sir, the year 1930 has been an eye-opener in many respects; I hope it has also been an eye-opener to the Treasury Benches opposite. A brief retrospect of the national movement for freedom will not be out of place at this stage, and if I give one, it is not for the purpose of raising up painful memories of the past but for drawing pointed attention to where we have erred—we on the non-official side—and where they on the official side have erred, so that we may in the future avoid the mistakes which we have committed. Sir, the national movement is perhaps as old as my years of discretion. My first association with the national movement was in the year 1887 when I was but a young man of about 20 or 21. That was when the great Badruddin Tyabji, the great and honoured leader of Bombay, presided over the Madras Congress. Our ambitions were then very small; we were then content with ventilating our grievances, with making humble petitions, coupled with a number of other loyal Resolutions. The National Congress went on awakening the eyes of the people and awakening the eyes of the Government. The National Congress was belittled and we had the help of a few enthusiastic European friends in guiding the deliberations, as you know very well. Great names they are for us, I do not know whether they are considered great names by Englishmen. Sir Henry Cotton, Sir William Wedderburn, A. O. Hume, these are names which we cannot easily forget, and I am sure generations hereafter will remember them with pride and gratitude, not to mention several other names across the seas. Sir, that movement broadened and widened and took deep root in the soil, and we had as the result of that struggle, the first early reforms, the Morley-Minto Reforms, which were soon given up for the Montford Reforms. Sir, we have had hitherto a Government which has been a unitary form of Government, a strong Central Government with Provincial Governments who more or less obeyed the Central Government, and we have the independent Native States, more than 600 in number. The national movement had very little to do with the Indian States, but they form a part of India which cannot be ignored. That has always been put in the forefront of difficulties towards British India attaining her goal of responsible government. That was one great obstacle which was always put forward, apart from other great differences and

difficulties which exist, difficulties such as the communal one, which I am sure will have to be considered very carefully. We were going on with a strong Central Government with the Provincial Governments, and now we were not pleased with the reforms which were introduced by Mr. Montagu and Lord Chelmsford. From the first, while a section of the country was prepared to work the reforms for what they were worth, the bulk of the country refused to look at them. From the first we realised the great difficulties of that constitution, a diarchical system in the provinces and an irresponsible system in the Central Government. We felt it almost in the first two or three years of our existence here. In the year 1921 when we came here to work the new constitution in the Central Government, we found the difficulties so large that, instead of creating a sense of responsibility, it created a sense of irresponsibility among us. We knew our votes did not count, did not matter, were not going to affect the course of events in the land or the course of Government proceedings. Therefore, we did not feel the responsibility also and oftentimes—I may confess—we cast our votes more in indignation and passion against the action of Government than from a sense of responsibility as to what the result of votes was going to be on the fate of the country. So early in 1924, when our Swarajist friends entered this House, I had the honour of getting a place of moving a Resolution to reform the constitution. What was it we were looking for? My Resolution as tabled was to the effect that steps should be taken so that we might get Dominion Status, equal Dominion Status, which has been declared to be the goal for this country and not a Dominion Status which should be subjected to periodical examination, but with due regard to whatever safeguards that might be required. It must be a self-evolving Dominion constitution. That was the Resolution which I tabled. Then, Sir, when I refer to what had happened then, the attitude taken by the Government, it is more to remind them of their follies, so that they may not repeat those follies again. I appeal to the great Civil Service. It is they who are considered to be, by the public at large, the persons who stand in the way of India getting her goal. The Civil Service have done wonders in the past; nobody can deny that. But they have also committed grievous blunders. It is those blunders, Sir, which are responsible in a large measure for the unhappy position we find ourselves in today in this land. They have not got the imagination to see. They have not got the boldness to take steps which, as advisers to the Viceroy and the Governor General, they have to take. They have not got that boldness, that imagination, which will give them that strength to go forward. What have they done? Sir, what might have been welcomed with avidity, with pleasure, in 1924, possibly in 1925, has been cried down in 1929. My Resolution, as it was amended on the motion of my late lamented friend, Pandit Motilal Nehru, asked for this Round Table Conference, in order that we might sit as friends round a table, discuss what was the best method of achieving the end which we all declared that we had in view. But, Sir, at that time, we had a Home Member who, as I remember, sitting across there—not in this House but in the temporary House down in Old Delhi—splitting, making hair-splitting arguments, if I may say so, distinguishing between responsible and representative Government, finding out and narrating all sorts of difficulties in the way. What was contained in the Government declarations of 1917 was gradually sought to be minimized. We did not like it. But notwithstanding that, the Resolution was carried and a Committee, which I will call the tinkering Committee, known as the Muddiman

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Committee, was appointed in order to find out where you could mend the constitution, and that gave no results. Even after all that, we stuck to our original Resolution. The Government would not yield. But what was demanded by the whole nation in 1924 and 1925 was conceded to us later, again not with grace, after irritating the country beyond all measure, by appointing that all-white Commission, as it is called, the Simon Commission. That drove us out altogether from the camp. We who are called liberals, who are called begging moderates, we too were driven out of the position we had taken already. This was done in the teeth of opposition from the whole country. Finally the Government had to recognise, thanks to that noble Christian who presides over India's destinies today, that the position was altered in a measure, by his announcement of October, 1929, announcing that the Round Table Conference would soon be conceded. Sir, again, even there we wanted some definite assurance, not that the British Parliament should give us the constitution we wanted, but that at any rate the Government of India and His Majesty's Government at Home would invite us, not for the purpose of discussing and debating whether India should have a constitution, responsible government, but that we were going there not to argue and debate but to sit there as practical men to find out what the constitution was we were to build. That exactly is what has happened now.

His Excellency, speaking in this Chamber in January, 1930, toned down the effect of what he had said in October, 1929. He warned the country that the beginning of the journey was one thing and the reaching of the end of it was another thing. He said that the goal was one thing and the start for attainment of that goal was another thing. I do not know what it was due to—that change which His Excellency indicated on that occasion, whether it was due to the visit of Lord Peel who toured this country in the Christmas of 1929; I do not know what induced him to make that statement, which was rather going back on his original announcement of October, 1929. It is difficult for us to guess, but there it was, so that the country was agitated beyond all measure and the people were not at all satisfied with the way things were progressing. Some of us no doubt believed in this Round Table Conference, notwithstanding all these forebodings; and it was even feared that the hydra-headed representatives from India—I am speaking with all respect to the gentlemen who formed the deputation—it was feared that they might make representations there at the Round Table Conference which might, instead of advancing us towards the goal, accentuate the differences which existed in the land, that by speaking with many tongues and in many voices, they might create such a situation in England that the attainment of the goal might be made more difficult. But, thanks to the noble minded statesmanship, to the patriotic instincts, which these people took with them, thanks also to the free atmosphere of London and the freedom loving character of the people of England, our delegates—I am proud to call them our delegates although we did not elect them—but I am proud to own them as my delegates at any rate—have behaved magnificently. The voices of differences were not heard. They spoke with one voice. The Princes and the people of India spoke with one voice. The Princes were proud to become the people of India. They forgot they were Princes of India. Even among the Princes and the Chiefs, they forgot they were Princes and Chiefs and they all became the people of India, and with

one voice they approached the question as practical men, to come to practical conclusions on problems which effect the vital interests of this country. Sir, that is what has happened. It should have happened already if this had been accepted by the Government, if it had been supported by my friends, the Europeans in the land, when the Simon Commission was appointed. We would have been saved all these bickerings, all these troubles which we have been passing through, which we are yet passing through of the civil disobedience movement and the consequent vicious circle into which we have got. All these would have been avoided and India would be making her own arrangements, notwithstanding the economic condition of the world, for meeting the economic difficulties, just as other countries are doing. But instead of that what are we doing? Other countries are setting their houses in order; they are preparing their machinery for battling with these world difficulties; but what are we doing? We are still quarrelling amongst ourselves. We are still resorting to the civil disobedience movement on the one side and repression—great repression—on the other; and we are neglecting the fundamentals of national progress. National development is at a standstill. Nay, it is taking a backward movement if it is not at a standstill. Why is all this? We are all citizens of this ancient land with potentialities which are unlimited, with its manifold wealth. Instead of taking bold and brave measures of development, what are we doing? We are still debating.

I have referred to this history of the past, not for the purpose, as I have already stated, of making any comments which are painful—that is far from my intention—but merely to define the attitude which ought to be taken both by my European friends, who represent commercial interests in the land, and others who belong to the great Civil Service, who are represented by my two Honourable friends on the opposite side. They should take these lessons from the past and see that their advice is such that it is not limited—that their vision is not limited by the actualities of the present. They must take into account the potentialities of the future, and their advice must be broad based upon imagination and courage. What is wanted, as the Secretary of State has truly gauged, is sincerity and speed. These are the two things now needed; and having that as your example, let your advice be bold; let your advice not be limited by present considerations and by present interests. Look at the vast interests of the millions of this land. It is a proud achievement for the British that you have India as an annexe to your Empire. It must be your attempt to retain it for ever. And you cannot retain it by enforcing your orders, by *lathi* blows, by armoured cars, by dropping bombs. They will have only a temporary effect; the more you do these things the more you drive people into the opposite camp. I know that from my experience in Madras. The civil disobedience movement had very little effect in Madras till the 25th of April, 1930. Then the campaign of terrorism began. You asked us moderates, you asked us liberals to go forth to the country and to speak to the people condemning this civil disobedience movement. But what advice could we give when we found before our own eyes the limbs of the law breaking the law, and in the name of law committing excesses? What could we do when we found people dragged like dead dogs along the street? Do you expect us to go to the country and say, "Do not now break the law." With what face, are we to say that? This procedure has been adopted not in one place,

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but in several places, and it has created an impression that the thing for which General Dyer stood, namely, creating a moral effect—merely for the purpose of moral effect to go and injure people in order that you may frighten and kill people and create moral effect—that will not do. I thought it was dead after the Hunter Committee—this punishing people in order to produce a moral effect on the others. That is the state of things. I say, hold your hand in that direction. We are not loath, we are not ashamed—we are not at all frightened of going to our own countrymen and advising them about this civil disobedience movement. At the present time we are not able to do it.

Sir, I congratulate the members who assembled in London for the Round Table Conference on the excellent foundations that they have given us. They do not pretend that they have done more; they have just prepared the ground plan as they have stated. We are now building a new house, just as this Assembly was given a new House. Hereafter the government of the country is going to enter upon a new phase—building a new house for itself, not on the original foundations, but on new foundations altogether. What we have to see is whether those foundations are well laid and that the structure which they envisage is capable of doing work as a constitution, and whether it contains elements which will evolve a healthy growth, whether there are any suggestions there which will retard a healthy growth. These are the things we have to take up for consideration.

This is a general occasion for a general debate. But I have to utter one word of caution in connection with those speakers who are to follow. The question is a grave one, a very solemn one, a most difficult one. Let us not by any remarks which we make here give vent to our feelings, whether they be communal, racial, economic or otherwise. By all means let us be frank and free when we meet in committees to discuss individual problems. Let us now give our general approval to the foundations which have been laid, to the ground plan which has been prepared. I hope in the course of time this House and the other House will be asked to set up a committee to sit in collaboration with the Committee of the Round Table Conference which may meet here, so that we may come to some arrangement. Let us work in a friendly spirit; let us forget the past in so far as it is necessary to forget. Let us take lessons from the past in order that we may build the future on a sound basis. Sir, I am very glad indeed and I am proud of the performance of these delegates in the Round Table Conference, representing not only India but representing also the three great parties in England. They have spoken with one voice. In this way they have also shown us how to behave; though there were differences among themselves, they set to work as business men to evolve a constitution there. Let us also imitate their example. Let us not magnify the difficulties which exist; let us face them by all means; but let us do so in a spirit of friendship, in a spirit of comradeship. I am very glad, Sir, I had this opportunity of making this speech. (Cheers.)

Sir Abdur Rahim (Calcutta and Suburbs: Muhammadan Urban): Sir, I am entirely in agreement with my friend, Diwan Bahadur Rangachariar, that the distinguished delegates from India to the Round Table Conference ought to be congratulated on the way in which they have discharged their difficult task. Whatever may be the opinion on

the individual proposals made at that Conference, there can be no doubt whatever, that the delegates from India—the Princes and those who went from British India—have produced an impression in England, on the public mind of England, which to my mind does great credit to them, and is a valuable asset to us. They met in an atmosphere very different from that of this country. They had to work with the foremost statesmen of England, under the eyes of Europe, and we are all proud that they have acquitted themselves remarkably well. Tributes have been paid from all quarters, indeed, to their earnestness, to their zeal and self-sacrifice, to their knowledge of things and ability, to their political sagacity and to the manner in which they worked in co-operation with the other members of the Conference. Sir, I do not desire to go over past history. Enough has been said by my Honourable friend Diwan Bahadur Rangachariar on this subject, and I wish, so far as I am concerned, to leave the past alone and glance for a moment at some of the salient features of the work of the Round Table Conference. I am fully aware of the importance and difficulties of the task of the Conference, and I hope that I will say nothing which will prejudice or hamper their deliberations in the future. But at the same time it is necessary for us to come to some conclusion over the main result of the work at the Conference.

Sir, the Prime Minister himself observed in his speech that much of the work done has been of a provisional nature. Nobody suggests for one moment that a constitution has been produced for India. That is not the fact. But at the same time we should be underestimating the work that has been accomplished if we did not fully recognise the fact that very valuable work has been done. I take the declaration of the Prime Minister on behalf of the British Government as summing up the result of the deliberations of the Conference. Sir, the main thing in that declaration is that the British Government's policy now is that responsibility for the government of this country should be transferred from Whitehall and Westminster to Delhi. That is undoubtedly a great gain, and I regard it as the most important achievement of that Conference. I fasten on this declaration. I am fully aware that there are reservations and safeguards, and I frankly admit that some reservations and safeguards are necessary at this stage, but those reservations and safeguards, we must bear in mind, are intended for a very limited period, what is called the transitional period, and we have been promised by the leaders of the great parties in England that they are going to implement the declaration that has been made by the Prime Minister. I do not forget that in the preamble to the Government of India Act language of a somewhat similar character was used, and great misgivings arose, and as time went on it became confirmed in the minds of Indian political leaders that there was great danger lurking behind phrases like gradual process of development by stages as experience is gained, and so on. If I have not misread the proceedings of the Round Table Conference and the speeches made in Parliament afterwards, I am sure that it is not the intention of the British Government or of the different political parties there that the transitional period is to be interpreted in the sense of the preamble of 1917. These reservations and safeguards relate to defence, foreign relations, stability of finances, minorities, interests, tranquillity in cases of emergency and the fulfilment of certain contracts entered into by the Secretary of State. Most of us have no quarrel with the need for certain reservations till we have a national army in India and we also acknowledge that the Public

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Debt has to be honoured and we have never disputed the fact that until the defence of India is entirely in the hands of Indians, foreign relations also have to be conducted by the Governor General. What we have asked for, and which we insist on, is that India should have a form of government which will not be inferior in status to that of any Dominion in the British Commonwealth. The Prime Minister has told us that, whatever be the nature of the reservations during the transitional period, the march of India to full self-government will not be hampered in any way by such provisions.

Sir, I was glad to read the other day the speech of His Excellency the Commander-in-Chief in another place, and the definite promise that he has made that an Indian Sandhurst for all arms will be established in India as soon as possible. We attach the greatest possible importance to the need for a national army, because I am sure if a national army is once established, if that object is once achieved, the national status of India will be firmly and completely established.

Sir, as regards the British trade interests and commercial interests, I must remind my Honourable friends the European Members that if they look at our past history, they will find that we Indians have never shown the least narrow-mindedness or intolerance towards foreigners doing business in this country. When India had a powerful Government under the Moghuls, it was the Moghuls that voluntarily gave the foreigners every facility to trade in India, and it is that spirit which animates us Indians today. But this also must be clearly understood, that while we do not want in any way to interfere with their freedom to carry on any business or trade in this country, at the same time it is a vital need of India that we should have every opportunity to develop industries in this country. This must be clearly understood, and subject to that, there will be no objection on the part of us Indians to maintain commercial and trade relations with Great Britain, and indeed, Sir, we fully realise that such relations will redound to the advantage of India.

Sir, it is a matter of regret that one very important and difficult question, that of the minorities and the communities, especially the questions that arose between Hindus and Mussalmans, could not be completely settled. I have read with some care the Reports of the Committees, including the Report of the Minorities Committee, and I think that we should be doing an injustice to the Conference if we did not recognise that a great deal of work has been achieved by them in that connection as well. Something remains, and I venture to hope as the Leader of a Party, which is not communal, that very soon that question will be finally and conclusively settled so that India may go forward in peace and harmony to evolve the best possible constitution befitting her great position in the world. These communal difficulties are, as I read history, of a more or less recent growth, that is to say, in the form which they have assumed for some time. Passions and prejudices have grown round this question, and once we get rid of them, once we sit down together and look at things in a reasonable and proper light, much of the difficulty will disappear at once.

Sir, the first stage of the Round Table Conference has been closed, and we understand that there will be a British deputation coming to India and the Conference will be revived here with such modifications as may become necessary, to carry on the work. The atmosphere here will, I

hope, though it might be somewhat difficult in some respects, be congenial to the work and helpful to those distinguished statesmen that will be coming to us. Sir, I may refer to one matter in this connection, and that is, that we further hope that soon another large Indian political party, the most influential Indian political party, will be able and will be willing to participate in future deliberations.

Sir, it is not possible to go through even the most important questions that have been dealt with at the Round Table Conference. I wish however to mention specially one problem that has to be faced very soon even before the Round Table Conference has closed its deliberations finally, and that, I mean, is the question of the North West Frontier Province. Every one is aware how the happenings in that province have agitated the minds of the people and occupied the attention of this House, almost uninterruptedly from the beginning of the Session, and we have come to the conclusion that this is a problem which should be taken in hand at once and solved. I do not mean that the North West Frontier Province question, as regards its future constitution, can be worked out before the Round Table Conference has considered all the other questions in connection with the Indian constitution. But what I mean is this, that it is necessary, it is urgently necessary that the rule of law should be established there at once. We are hearing all sorts of accounts of the way in which the people are treated. I do not say that all that you hear is well founded, but, at the same time, there is a great deal of truth in the allegation that the relations between the people and the Government there are not of a character which can be allowed to continue any longer.

Sir, there is another province to which I think I ought to make some allusion, and that is Burma. I think our position is quite clear, I mean the position of the Indians. India does not want to put away Burma from herself; she does not want any separation from Burma, but if Burma wants to be separated from India, it is a matter for her to determine, and we should be quite happy if Burmans are satisfied that it is in their best interests that there should be separation of that province from India. Sir, we have had some discussion of the Burmese question in this House, and I gather from reliable sources that the Burmans want separation only if Burma receives Dominion Status like India, and not otherwise. If she gets Dominion Status, we, Indians, will be quite happy. We, Indians, have very large interest in Burma. I have been to that province more than once, and I know that until some mischief mongers appeared on the scene, the relations between the Indians and the Burmans were of the happiest character. The Burmans are a most amiable people, and the Indian business men got on remarkably well with them and settled down and made Burma their home, and I am sure that my Burmese friends would not think of injuring those interests.

Sir, as my time is over, I do not desire to ask you to give me any further indulgence. I wish to repeat that the work accomplished by the Round Table Conference hitherto is one which generally deserves our appreciation. I should also add that we Indians appreciate greatly the hospitality and kindness which was shown to our delegates, and the friendly feeling which was evinced towards them by the British public and by the leaders of all the parties. They helped them a great deal to achieve what they have achieved, and we, I hope, on our part, when the British delegation comes here, will not be found wanting in reciprocating all the kindnesses that they have shown towards our delegates. (Applause.)

Mr. R. K. Shanmukham Chetty (Salem and Coimbatore *cum* North Arcot: Non-Muhammadian Rural): Mr. President, the two Honourable Members who preceded me have amply congratulated the delegates that assembled in London, and if I do not dilate on that point it is not because that I fail to appreciate the importance of the work done by the delegates at the Round Table Conference, but because I would like to utilise the time at my disposal in assessing the value of the work in the light of the safeguards that have been suggested. In so far as the Round Table Conference has brought forth from His Majesty's Government a declaration that they agree to the principle of transferring responsibility for the Government of India on to Indian shoulders, we must one and all confess that the delegates have achieved a very definite success indeed—a task which some in this country and many in England thought to be almost impossible before the Round Table Conference met. But, Sir, I would like to assess the value of that declaration by the measure of the safeguards that have been suggested and in the short time at my disposal I would like to confine myself to an examination of what are called the financial safeguards, and the question of what has been called equality of trading rights.

Sir, the question of financial safeguards is contained in paragraph 18 of the Federal Structure Sub-Committee's Report and it is again referred to in a very important portion of the Prime Minister's speech in which he gives the declaration on behalf of His Majesty's Government. At the outset, I must frankly confess that on a perusal of paragraph 18 of the Federal Structure Sub-Committee's Report and the reference made to this safeguard in the Prime Minister's declaration I have felt in my own mind serious doubts as to what exactly was the significance of these safeguards. With a view to be enlightened on this point, I naturally referred to the discussions that took place in the whole Committee of the Conference, in which distinguished delegates, both Indian and British, had attempted to explain the significance of these safeguards. In spite of my study of those speeches, I must still confess that I have got my own serious doubts as to what exactly is the significance of these safeguards. I do not want to tire the House by reading the paragraphs relating to the principle underlying these safeguards, but on an examination of the details of the principles contained in these passages, three points emerge, firstly that the Governor General must be invested with some extraordinary powers of overriding the decision of the Indian Finance Minister in the matter of external and internal loans, and also in the matter of budgetary arrangements; secondly that a Reserve Bank ought to be established—and to quote the words of the Prime Minister "It must be provided for somehow in the constitution"; and thirdly that the previous sanction of the Governor General ought to be made necessary for the introduction of any measure for amending the Paper Currency Act. These three points to my mind emerge out of the financial safeguards as embodied in the Report of the Federal Structure Sub-Committee and I would ask the House to examine very carefully what the implications of these safeguards are. I cannot emphasise too strongly the importance of a very close and careful scrutiny of these financial safeguards, because if there is one point more than another upon which Indian opinion belonging to all schools of thought is unanimous, it is that we must in the future constitution of India enjoy the fullest and the most unrestricted power of fiscal and economic freedom. (Applause.) I for my part will not consider that Swaraj, or that scheme

of Swaraj worthy of a day's keeping, which will hamper in the least degree the fullest economic development of my country, and it is when I examine the financial safeguards from this point of view that I must confess I am led to serious doubts and misgivings. Are these powers of the Governor General, these extraordinary powers, to be given to him only until the Reserve Bank is established or are these powers to continue even after the Reserve Bank is established? On that point I must confess neither the paragraphs of the Sub-Committee's Report, nor the very able and lucid speeches of the delegates, both British and Indian, have enabled me to arrive at any solution. I take it, that these powers are only to be during the period of transition, pending the establishment of a Reserve Bank. If that is really the intention, Sir, I for one will not have any serious objection, because I realise the force underlying the argument that though the Legislature in India should be recognised as a sovereign body for the purpose of regulating its own currency and exchange, for the purpose of regulating its own credit policy, you cannot safely undertake radical measures of reform in these directions until you have got a machinery through which you can carry out your policy and I am prepared to concede the proposition that the establishment of a Reserve Bank is very essential to provide that machinery which will carry out the policy of the Legislature. But, Sir, if it is meant to provide that these extraordinary powers of the Governor General are to continue even after the establishment of a Reserve Bank, then I would straightaway say that I cannot under any circumstances agree to these safeguards.

Let us analyse these extraordinary powers that are to be vested in the Governor General. Firstly let me take the matter of external loans. One very distinguished member of the delegation in his speech before the Committee of the whole Conference said that he examined all the various statutes governing Colonial law on this point, and that he was satisfied that India was to be placed in no worse position than any of the Colonies. I myself undertook in my own humble way an examination of the various Colonial statutes, and I must confess that I have not found any provision which imposes upon any Colonial Government any restriction of the right of raising loans in a foreign market. If Australia or Canada or South Africa or any of the self governing Colonies want to raise a loan in London or in America or in France, is it contended that that loan operation is to be regulated by what His Majesty's Government in England have to say?

Sir Cowasji Jehangir (Bombay City: Non-Muhammadan Urban): Yes.

Mr. R. K. Shanmukham Chetty: I would like to hear from my Honourable friend Sir Cowasji Jehangir as to what exactly is the restriction imposed upon the Colonial Governments. If it is meant that in the case of loans that have been contracted before these Colonies were constituted into self-governing Dominions, these loans were made a first charge on their consolidated fund, then I agree that there is a restriction in the case of Colonies, and to such a restriction we must also agree. But if it is contended that the discretion of the Australian Finance Minister to raise a loan in the New York market can in any way be curtailed by what the Chancellor of the Exchequer in England will have to say, then I would like to hear from my Honourable friend Sir Cowasji Jehangir his interpretation of Colonial laws on this point. I would straightaway concede that in the case of loans that have so far been raised on the security of the Secretary of State, provision ought to be made in the future constitution of

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India that foreigners who have subscribed to these loans must be guaranteed the repayment of principal and interest. It only comes to this, that the payment of interest will be a first charge on the consolidated funds of India. To that proposition every sane man ought to subscribe. But if it is contended, Sir, that whenever the future Finance Minister in India wants to raise a foreign loan, he has to take the previous sanction of His Majesty's Government or that his discretion is to be fettered in any manner in this direction, then I maintain that no such provision exists in any Colonial statute, and that such a restriction will be seriously derogatory to the real powers of the Finance Minister in any self-governing Dominion.

Sir Cowasji Jehangir: It may not be in a Colonial statute, but it is in other foreign statutes.

Mr. R. K. Shanmukham Chetty: Next, as regards internal loans, what is to be the scope of the over-riding powers of the Governor General in Council? It is explained in some of the speeches that if, as a result of a series of deficit Budgets, the Finance Minister in India raised loans at rates of interest which would affect the stability of India's credit both at home and abroad, then the Governor General would come forward with his over-riding powers. I submit, Sir, that even that is a restriction which no Finance Minister in a self-governing Dominion will allow to be imposed upon himself. Why go to self-governing Dominions? Take the case of my Honourable friend, the Finance Member? What has he done during the last year or two? He has raised both at home and abroad loans at rates of interest which we consider to be ruinous to the credit of India ("Hear, hear" from the non-official Benches), and yet does not my Honourable friend claim the fullest discretion to act as he thinks best in the interests of India and the financial stability of the country? If the Finance Member under the existing constitution can be entrusted with these wide powers, then I for one fail to understand how you can seek to put restrictions on the similar powers of the Finance Minister of a self-governing Dominion.

Let me now take the last point—the Governor General's over-riding powers with regard to budgetary arrangements. The details of the budgetary arrangements—the details of the taxes to be imposed or to be remitted—are matters which ought to be left entirely to the discretion of the Finance Minister; and if the Governor General is to be given over-riding powers in this matter, then may I respectfully ask, who is to advise the Governor General in these matters? Surely the Governor General cannot be expected to be an expert in finance. Is it suggested that there ought to be officers of the Finance Department who are to be in direct touch with the Governor General and who will give him advice as to whether the Indian Finance Minister is acting wisely or not? Or is it intended that the Governor General should receive his advice from Whitehall or the business men in the City of London? In either case I say it would be a scheme which it would be absolutely impossible to work and which would seriously hamper the operations of the Finance Minister.

I shall now briefly refer to the question of the establishment of a Reserve Bank. This is not the occasion when one ought to go into details about the constitution of a Reserve Bank. I know that a great deal of misapprehension exists even in well-informed quarters about the functions

of a Reserve Bank. The Government of India's despatch and the Report of the Federal Structure Sub-Committee have recognised that it may be very difficult indeed to establish a Reserve Bank in the present state of economic depression and in the present state of the gold resources at the disposal of the Government of India. But that is a matter of detail into which I need not enter. There is however one point connected with the Reserve Bank about which I cannot express myself too strongly and I would ask Honourable Members to keep their eyes upon this point, the significance of which emerges from the Government of India's despatch on constitutional reforms. They say in this despatch that a Reserve Bank ought to be appointed, and that it should work in close co-operation with, and on lines—mark the words—approved by, the Bank of England (“Hear, hear” from the non-official Benches). It is suggested in this despatch seriously that the Reserve Bank of India ought to be subject to the orders of the Bank of England. Anyone who knows even the A, B & C. of finance, or the functions of a Reserve Bank, will throw the suggestion out with contempt, ridicule and scorn. Not even a vanquished country, vanquished on the field of battle, would expect at the hands of the victor a claim that its own Central Bank should be controlled by another Central Bank. I really cannot understand who was responsible for putting that sentence in the Government of India's despatch. There must certainly be co-operation with the Bank of England; for a Reserve Bank, to discharge its functions properly, must work in co-operation not merely with the Bank of England but with the Central Banks all over the world. But that the policy of the Indian Central Bank should be dictated and approved by the Bank of England is a proposition which no sensible man would agree to. I agree without any reservation that the Reserve Bank must be free from all political influence—political influence either from the British side or from this side; and I am prepared to concede that for the stability of India's finances it would be essential to establish a Reserve Bank at the earliest possible moment. But, Sir, if the establishment of a Reserve Bank is to imply that this Bank is to be controlled by the Bank of England, then I may warn the Government of India and those who will be engaged in the Round Table Conference hereafter that no section of Indian public opinion will tolerate such an arrangement.

The third and last safeguard suggested is that the previous sanction of the Governor General should be obtained for any amendment of the Indian Paper Currency Act. Here comes the snag about exchange. The sum and substance of this provision is that the Indian Finance Minister and the Indian Parliament will not have power, without the previous sanction of the Governor General, to alter the relation between its own currency and gold. The Noble Lord Reading, took great pains to explain this point and he suggested in his speech,

“Well, then, when once you have done that, of course it would open, as I conceive it, to the Legislature to pass any Bill that it chose with regard to the rate of exchange. But you cannot do that with safety before the Reserve Bank is established.”

Even if it is conceded that, before a Reserve Bank is established, it may not be safe to alter the rate of exchange, surely after the Reserve Bank is established, it must be open to India's Parliament to alter the rate if it so chooses. The Noble Lord conceded that point in his speech. Evidently the danger from the British point of view underlying this pronouncement of the Noble Lord was pointed out to him, later on and there

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then appears a very significant footnote by Lord Reading at the end of that page and this is what it says:

"Lord Reading wishes it to be understood that these remarks were really intended to explain to the Committee that it was not the function of the Reserve Bank to fix the ratio but that this was the function of the Legislature."

So far so good.

"He accepts however the proposal made in para. 18 of the Report that provision should be made requiring the Governor General's previous sanction to the introduction of a Bill to amend the Paper Currency or Coinage Acts."

This footnote nullifies the whole explanation which the Noble Lord thought it worth while to give to the delegates of the Round Table Conference. This means, Sir, that whatever might be the opinion of the future Finance Minister of India about the parity between gold and our own currency, he will for all times to come be bound by the rate that has been fixed whether he considers that rate to be good or bad or in the interests of India or against it. As I said at the outset, it is not possible, at the short time at my disposal to subject this question of financial safeguards to a more searching analysis. But what I have said so far is enough to enable Honourable Members to understand that this is a matter which raises probably the most fundamental issue which the delegates at the next Round Table Conference will have to face.

I would in conclusion say a few words with regard to the question of what is called equality of trading rights. The enunciation of this principle is given in a paragraph in the Minorities Committee's Report. Sir, if that principle means that the Europeans in India are entitled to ask that whatever property they have acquired so far, whatever rights they have acquired so far in our country should not be confiscated by any measure of the Legislature, then I say that we straightaway concede that principle. In fact, it will be unworthy of any country to think or even dream for a moment of confiscating existing rights and acquired property rights. If that is all what is meant by this proviso regarding equality of trading rights, then there is absolutely no difficulty, but if by that proviso is meant that in future every Tom, Dick and Harry would have the liberty to come and do what he likes in India, then, I must say that we cannot for a moment think of conceding any such right. Why? I need not give any argument in support of my contention. This contention has been accepted in Imperial Conferences, one after another. It is now well established, as a result of a service of decisions of the Imperial Conference that each component part of the British Commonwealth of Nations will have perfect and unfettered liberty to manage its own economic affairs in the best interests of its own country, and to that purpose to regulate the character and composition of its population. If, Sir, Englishmen were to ask the right of coming and trading freely in India in the future merely on the basis that they also are the subjects of His Majesty the King, then I would only show them these Resolutions of the Imperial Conferences which have denied to them these rights in any other part of the self-governing Dominions. In fact one self-governing Dominion has gone to the extent of practically confiscating and expropriating the acquired and existing rights of its Indian subjects—I refer to the position in South Africa. But, we might assure our friends of the European community

that we will not do anything of the sort. So far as the existing and acquired rights are concerned, we will most scrupulously and most jealously guard them as if they are our own rights and privileges. and if, beyond that, they mean to claim that merely by reason of their being subjects of His Majesty the King, they are at liberty to come to India and do as they like, trade as they like, open industries as they like just as any other Indian subject, then, Sir, I would say, we cannot subscribe to any proposition of that nature. That is my interpretation of the proviso regarding equality of trading rights. If anything else is meant by that, it would be tantamount to mortgaging the economic and fiscal interests of India. (Hear, hear.) Sir, I am not prepared to take over my paternal property in the form of my country with mortgages full to the hilt, mortgages which I cannot even redeem at a future date, because that will be the position if these safeguards and these rights about equality of trading were interpreted in any other way than the interpretation that I have sought to put upon them.

I cannot, Sir, sum up the ambition of every one in India in this matter better than by quoting your own words, words that you used in the Old Imperial Legislative Council 15 years ago. You said on that occasion:

"If the Government of India were to adopt measures solely in the interests of the people of this country without any restrictions or limitations in fiscal matters, our industrial development would be in a fair way of successful accomplishment. India wants fiscal autonomy as the first step towards her industrial regeneration and if Indian public opinion is to have any weight in the determination of this question, we ought to get it at once."

Fifteen years ago, Sir, you thought, we ought to get it at once, and can any one deny the statement that the time is overdue when India must now get the fullest and most unrestricted freedom to regulate her financial, economic and fiscal policies in the interests of India and India alone. (Applause.)

The Assembly then adjourned for Lunch till a Quarter to Three of the Clock.

The Assembly re-assembled after Lunch at a Quarter to Three of the Clock, Mr. President in the Chair.

Sir Hugh Cocke (Bombay: European): Sir, I should like to join with the previous speakers this morning in offering my thanks and our thanks to the delegates for all they did at the Conference, and our congratulations on the considerable measure of progress which they effected. It was pointed out that they carried on their work in a congenial atmosphere and that that had helped materially to the progress which had been attained. I hope that in the continuation of this Conference it may be possible to maintain a similar atmosphere and similar progress. So far as we are concerned on these Benches, we are looking on mainly as spectators of Indians settling their own affairs; but if at any time we can be of assistance in the settlement of those very difficult problems which at present remain unsolved—which are not the direct concern of

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ourselves but in which our assistance might possibly be asked—I can only say that we shall come in and assist in any way we possibly can. (Applause.) Sir, there is no doubt whatever that considerable work was done in London and that foundations have been laid. The main foundation of a federal constitution was agreed upon, and that is one definite basis upon which to start all further effort and consultation. Then on the top of that came the big question of responsibility or no responsibility in the Central Government and that was agreed upon; and that gives another key and another basis on which to build. Here you have two very substantial bases upon which to start further work. Then on the top of that of course came the safeguards which in outline were agreed, or mainly agreed, upon but which in matters of detail have still got to be settled. Of course when we say that the framework was agreed upon, one cannot help being struck, in looking through this book, at the number of paragraphs which one comes across, in which it is pointed out that these matters will have to be gone into later as there was no time to deal with them. That applies to many quite important matters. But, as I have said, three of the main points were threshed out in London and a definite basis exists now on which to work. The word “workable” was used this morning by the Leader of the Opposition and that word was used on various occasions in London, and I venture to think that that word requires to be used frequently in deciding whether we are building something which is workable. It is so easy to put down wonderful constitution on paper, but one has got to be certain as far as possible that the constitution one is building is really going to work. In that connection one has to remember that there are varying interests in the country, interests perhaps which are represented here but nevertheless interests which are not very vocal interests of very large numbers of the country who are not politically educated but want to make sure that the Raj which is going to be established is a Raj under which they will be safe and be able to prosper.

Sir, this is a debate when time is limited and when one cannot do very much more than make general remarks. One word of warning I should like to utter. I have noticed in speeches which have been made in this House in the last few weeks that there is an idea that it will be possible to carry on and bring to completion this Conference at a very early date and that the new constitution can be set up almost immediately. Well, when one goes through this book and sees the number of points which have got to be threshed out, some of which will necessitate committees being set up, in matters of franchise and so on, I wonder whether it will be possible to produce something which is workable very soon—we do not want to start anything which is not workable—in that short time which I think many Members of this House envisage. I personally think that it will be a matter of months before you can get these problems settled and the new constitution hammered out. But we have got to have patience. We have gone a fair way on the journey. Sir, Mr. Chetty this morning got down to more detail than the other speakers and I do not want to follow him far because it seemed to me that some of his remarks dealt with matters which could be very much easier dealt with in committee. But he rather indicated that he was not satisfied

with the financial safeguards and he was rather suspicious of them. Yet, as regards that, I think the Prime Minister's statement, although it is only an outline, is after all fairly definite as to the road that is to be followed. It is a short paragraph, and I should like to read it. It says: "

"As regards finance, the transfer of financial responsibility must necessarily be subject to such conditions as will ensure the fulfilment of the obligations incurred under the authority of the Secretary of State and the maintenance unimpaired of the financial stability and credit of India."

That, one might say, relates to outside affairs the credit of India in the world. It goes on to say:

"The Report of the Federal Structure Committee indicates some ways of dealing with this subject including a Reserve Bank, the service of loans, and Exchange policy, which, in the view of His Majesty's Government, will have to be provided for somehow in the new constitution. It is of vital interest to all parties in India to accept these provisions, to maintain financial confidence. Subject to these provisions the Indian Government would have full financial responsibility for the methods of raising revenue and for the control of expenditure on non-reserved services."

That seems to indicate, to my mind, fairly accurately, that as regards India's external situation in the future, His Majesty's Government have got to be assured that whatever the arrangements that are made, they are reasonable and lasting and do not run the risk of impairing India's credit. As regards the internal situation, the question of India's finance and fiscal arrangements, that definitely will be a matter for Indians themselves, so that I do not think that Mr. Chetty's suspicious as regards financial arrangements were perhaps altogether justified. He stated—or at any rate he rather assumed—that once the Reserve Bank is established, it would be no interest to anybody what India did with her finances. I think he has overstretched the mark. He said that India would have a perfect right to raise money in any market she likes. I presume that she will. Whether there are any safeguards at all, I do not know. But it will be a little difficult for India to raise money in markets without some association with the British Government. That has been true in the past as regards Colonial loans. But I do not want to pursue that. It is going rather too much into detail and time is short.

Coming now to the question of trading rights, with which Mr. Chetty also dealt, one is glad to hear him reassure those who may be somewhat nervous, if not now, at any rate may have been in the past, that the existing rights of British trade interests—either trading interests or property—would be guarded with scrupulous jealousy—those were his words. He then went on to draw a distinction between the rights existing today and the rights which will be created hereafter. That distinction is not one which is very easy to follow, and it will have to be thrashed out. Naturally if a man is trading today in business and if he dies, he assumes his successors will be allowed to carry on that business. But that successor today has no rights, so that all these points raise practical issues. But generally speaking, the rights that we maintain that we ought to have—and this I think has been admitted—are the same rights of trading in India as Indians have to trade in England. That is what we have held

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out for. There may of course be exceptional cases where certain provisions have to be made in connection with what are termed "key industries". But subject to the right of a country to protect itself in that

3 P.M. matter, we maintain that as individuals and as corporations, we ought to have the same rights to continue to trade in India, ourselves and our successors, as the Indian has in England, Sir, that, I think, is all I want to say on the question of trading rights and financial responsibilities. On the general subject, I should like to say again that I realise that the speeches made this morning have been of high merit and this debate has been continued on lines on which, I think, the House can congratulate itself. I hope that that will continue and that everyone will, in the words of Sir Abdur Rahim, not consider it desirable to discuss at any great length events of the past. If we are going to do that, a good deal of misunderstanding, I think, is bound to arise. The whole point is—as the Commander-in-Chief said in another place and in another connection the other day—wash out the past and let us get down to business. That, I think, would be a very good motto for this House. Take this document, go over the ground which has been covered and as regards all those matters which are still undecided, get down to it and see that we reach conclusions which will enable this great constitutional development to go on without any hindrance whatever.

Diwan Bahadur A. Ramaswami Mudaliar: (Madras City: Non-Muhamadan Urban): Mr. President, if I intervene at this very early stage in this debate, it is only because I wish to place before the House at the very outset a more or less correct idea of what was decided with reference to some of the details that my friend, Mr. Chetty, referred to this morning. I should like to take this opportunity, Sir, on behalf of myself and my fellow-delegates on the Round Table Conference, to convey our thanks to the two leaders of the parties in this House who have expressed appreciation of our work and standing on the floor of the Parliament of India, I should also like to convey our thanks to the British public, to the leaders of the three great parties and to all those who assisted us in England in the discharge of our duties. (Applause.) I should like to convey a special word of thanks to the press in England which has generally been remarkably helpful to us and—if I may not be misunderstood as making an invidious distinction between news agencies—to Reuters and the Associated Press of India which have done a great deal to give correct information as regards the progress of the work of the Round Table Conference. Sir, the atmosphere in which we met in London, the spirit of good-will that prevailed, the helpful nature of the criticism that was levelled against the proposals that were put forward, have been referred to by my esteemed friend, Diwan Bahadur Rangachariar. It was not a question of the fitness of Indians for this or for that. To that extent the preamble of the 1919 Act was thrown overboard. But we were there to make our case, and they on the British side, to quote the language of the Prime Minister, to make out their case, and we were both to adjust our differences and to come to agreement on a basis of mutual understanding. I hope, Sir that that spirit will be continued in the further stages of these proceedings, and that whether the plan of the Conference

is laid in London or in India, there will be nothing lacking of that goodwill, of that sweet reasonableness, of that spirit of compromise and understanding which prevailed in London, and which, I hope, will continue to prevail in this country. (Hear, hear.)

Sir, before elaborating on the details of this frame-work, I should like—because my time is very limited and I do not know whether I can cover the ground adequately—I should like to refer to the speech of my friend, Mr. Chetty, and remove what I would call certain legitimate and natural misapprehensions which arise in his mind and which probably are shared by a great many of my countrymen. I come to the question of safeguards which I think in its own way is a very essential feature of the scheme; and I come specifically to the question of financial safeguards. At the outset I should say that I pose as no authority on financial matters whatsoever. I am here to lay before this House only such knowledge as I have been able to derive by a membership of that very important Committee, the Federal Structure Committee; and it so happens that I am the only Member of this House present here who was a member of the Federal Structure Committee—Mr. Mahomed Ali Jinnah having chosen so far not to return to India. Let me assure Mr. Chetty and others of his way of thinking that not one of us on the Round Table Conference, British Indians particularly, was for a moment oblivious of the fact that the financial question was the real test of all progress towards self-government, and that if even for a moment we ignored the vital need for financial autonomy all idea of self-government and all idea of responsible government would be merely chimerical and a mirage. Therefore, whatever else we have agreed upon or we have not agreed upon, let there be no misunderstanding in any quarter that we were not aware of the extreme importance, the cardinal momentum of this question of financial safeguards.

At the very outset I should like to refer to one sentence in this Report, which perhaps would have avoided much of the criticism that Mr. Chetty levelled at some of the safeguards suggested and which perhaps might have put the delegates from the British India side in a fairer position than they otherwise appear from the remarks of Mr. Chetty. At a very early stage in these proceedings it is pointed out in this Report . . .

Mr. R. K. Shanmukham Chetty: On a point of personal explanation, Sir, and in order to remove any possible misunderstanding, I would like to tell my Honourable friend and those who worked with him at the Round Table Conference, that the object of my criticism was not to make out that the Indian delegates had given up the interests of India. My whole object in my speech is this: The question of financial safeguards as embodied in the Federal Structure Committee's Report is so vague and liable to at least two interpretations; and I said if one of these interpretations is correct then we cannot agree; but if the other interpretation is correct we agree. It is therefore up to my Honourable friend, Mr. Ramaswami Mudaliar, and his co-delegates to lay at rest all suspicion by assuring us that the interpretation about which we have got apprehension has absolutely no basis in fact.

Diwan Bahadur A. Ramaswami Mudaliar: I trust, Sir, that you would have taken note of the time which has been taken by this speech. (Laughter.) I was on the question as to how far the British Indian delegates have agreed to these safeguards. It is perfectly true that in the

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course of the Report various suggestions have been made, various statements have been embodied relating to safeguards on this cardinal question. What we have to see is what are the agreements that have been reached with reference to these safeguards; and let me here give a quotation—the quotation I was about to read when my friend, Mr. Shanmukham Chetty interrupted me. “Upon the question of finance”, says Lord Sankey as the Chairman of our Committee in the report, “Indian opinion was that even the safeguards set out in the Report went too far, especially those giving special powers to the Governor General”. That general statement should put our position perfectly clearly before the Members of this Assembly and before our countrymen in India.

Let me now come to the specific safeguards which were referred to by Mr. Chetty. Take the question of the Reserve Bank which should be established. When the Prime Minister said that the condition precedent of the establishment of a Reserve Bank should somehow or other find a place in the constitution, he obviously referred to the simple fact that certain powers will have to inhere in His Excellency the Viceroy till the Reserve Bank comes into existence, and nothing more than that. If we can assure them that, before ever the draft constitution is placed before the House of Commons, the Reserve Bank would have come into existence, then there would be no necessity for any mention regarding that proviso in the Bill which will be laid before the House of Commons.

Mr. B. Das (Orissa Division: Non-Muhammadian): Whose fault was it?

Diwan Bahadur A. Ramaswami Mudaliar: There have been references made to the past, and to that extent I agree with my Honourable friend, Sir Abdur Rahim, that it will do no good raking up the past. I, as a new Member of the House, in any case, am not willing to pore through the past records of this Assembly and to place before other Honourable Members on this side of the House or Members sitting on the Treasury Benches a long history of the past and recriminations based thereon. I am content to take note of the present, and I am content—more than content—to look to the future which is so full of hope and so full of promise. (Cheers from the Government benches.)

Now, Sir, with reference to the Reserve Bank the position was merely this: The policy of declaring what should be the exchange is inherent in the Legislature itself and the Legislature could not be deprived of it. But the day to day administration of that policy must inhere somewhere outside the Government of India. We know that at the present moment the Government of India are also seized of that policy and we know what criticism we have been addressing to the Treasury Benches and to the Chancellor of the Exchequer of the Government of India with reference to the manipulations of currency and exchange so as to suit particular interests and particular needs. If therefore that criticism is just today, it will be equally just even when a self-governing India comes into existence, even when popular ministries are established. So that, what has been done with reference to the other Dominions, in the course of the constitution of other federations, has been done in the case of India also; I am glad to note that in my friend Mr. Shanmukham Chetty's criticism, there is no idea of questioning that fundamental principle that a Reserve Bank should be established to administer the day to day currency and exchange

policy of this country. All that was meant by this power was that, till the establishment of a Reserve Bank, the Viceroy should have the power to veto any policy with reference to exchange; and that is specifically mentioned in paragraph 20 of the Report. Let me read it for the benefit of the House:

"The Sub-committee recognise that it may be difficult in existing conditions to set up a Reserve Bank of sufficient strength and equipped with the necessary gold and sterling reserves immediately, and that therefore until this has been done some special provisions will be found necessary to secure to the Governor General adequate control over monetary policy and currency."

I should be a very poor student of logic indeed if I were not to interpret this as meaning that, when this Reserve Bank has been established, these special powers the Governor General will have over monetary policy and currency will not exist.

Now, let me come to the question of borrowings. My friend referred to external borrowings, and internal borrowings. With reference to external borrowings the position was merely this, that where you wanted to raise sterling loans in England and you wanted the backing of the Government in England for that purpose, then there must be some power in the Viceroy to see whether that loan can be properly raised or not; and it was with reference to this that, that very distinguished member of our delegation, Sir Tej Bahadur Sapru, to whom every party, every citizen in this country owes an incalculable debt of gratitude (cheers) for the good work that he did in that committee, Sir Tej Bahadur Sapru said that the position was identical with that of the Dominions. What happens today when a sterling loan is raised is that the moment the Finance Member of the Government of India determines on the raising of that loan, he goes to the Home Government, gets the Chancellor of the Exchequer and the Treasury to back up that loan and then it is treated as trustee security or fiduciary security. . . .

Mr. R. K. Shanmukham Chetty: Not at all.

Diwan Bahadur A. Ramaswami Mudaliar: . . . and when that fiduciary security is raised; the rate of interest is better; the guarantee for those who are investors is better and obviously advantages flow from it. That is exactly the position so far as the Dominions are concerned. I should like to read one more extract. I have already said that I do not possess the great authority which some Members of this House have to deal with subjects of this character, and therefore it is with great trepidation that I venture to tread on these very difficult financial matters. But I am bound to place before the House my view of the case, the view that I took as a delegate to the Round Table Conference whether it was right or whether it was wrong. I may add that it was because some of us felt hesitant on these matters that we said that we were not the sole repositories of wisdom who were gathered in London, and that men of greater wisdom, men who had partaken in budgetary discussions time after time in this Assembly and were able to give much more learned knowledge to that subject, that they should also have their voice heard and therefore we came to tentative conclusions—or rather we did not come to any conclusions at all on some points.

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With reference to the position in the Dominions I may quote Mr. Keith who should be accepted as an authority.

"Reservation is obviously so much superior to disallowance of completed legislation, which would always be extremely offensive and might create much difficulty after new arrangements had been made on the faith of legislation, that the later power is definitely obsolescent, though it is too much to say that it is obsolete. Indeed, every Dominion or State which desires to take advantage of the privilege of having its stocks included in the list of those in which trustees in the United Kingdom can invest, must put on formal record the view that any Act which infringed the security on the faith of which investors lent their money to the Government would properly be disallowed, and the pressure of financial opinion is sufficiently strong to render it quite possible that a Bill so offending would be disallowed if the Governor did carelessly assent to it. But the probability of any Dominion thus breaking faith is negligible, and Queensland's experience in finding borrowing precluded until she modified her confiscatory land legislation is not such as to encourage further movements in this direction, unless indeed the electorate loses its head altogether. The Canadian provinces are unable to have their stocks listed as trustee securities simply because the Imperial Government has not the power of disallowance, and will not accept the suggestion that the Dominion Government might give an assurance that it would disallow on the request of the Imperial Government."

My friend wanted to know what provision there was in any Dominion constitution with reference to that. The provision is there obviously, the power of disallowance or the power of giving parliamentary consent, for, after all, these measures have to be promoted through financial Bills, and if the Viceroy or the Governor General of a Dominion has the power of disallowance, that is how it acts on and controls the capacity of the Finance Member of the Dominion to raise a fiduciary loan or a loan backed up by the English Chancellor of the Exchequer.

Now, Sir, with reference to internal loans, the proposition was urged by Lord Reading, and it is perfectly true, that if there were a series of deficits year after year, and a Finance Member of the Government of India, disregarding all canons of financial propriety, were to think of raising loans in order to meet recurring charges, then it may be possible for the Viceroy to put a veto on such powers of borrowing. No agreement was reached on that subject. We pointed out that the record of the Government of India was exactly as Lord Reading had pointed out, that a series of deficits had occurred year after year, and that it would be very curious indeed,—just the argument that Mr. Chetty very naturally put forward,—if the Chancellor of the Exchequer of the future self-governing India were placed in a worse position than the present Finance Member of the Government of India. As regards the budgetary provisions, I am not aware of any restrictions which are sought to be imposed by any veto of the Viceroy or the Governor General. Now, Sir, subject to this, the Finance Member of the future responsible Government will have absolute powers.

My friend referred to fiscal matters—I do not want to waste my own time and that of the House by quoting the relevant extracts—but my friend will find in this Report that an absolute right is given to the Finance Member to adjust the future fiscal policy of the country. Let there be no doubt that the unfortunate experience we had in the last Session of the last Assembly of Members being dissatisfied with the fiscal policy and walking out of the House cannot occur in the future responsible Government of this country, that the fiscal policy of the country will be solely and altogether in the hands of the Finance Member, and that no other

interest of any kind will have any voice in the matter of adjusting those fiscal rights. It has also been made clear that these safeguards as far as possible, even to the limited extent that they have been suggested, are only transitory or temporary, and the hope has been expressed, and I trust that that hope will be translated into practice, that these safeguards will lie in reserve and that on the one hand the future Prime Minister of the Federal Government will see to it that those powers are not called into existence and that on the other hand Governors and Viceroy's will so conduct themselves that they will not rush in with proposals of veto or with any other proposals which will necessitate the use of these reserve powers.

Now, Sir, I do not want to go into the details of this question very much further. I only want to suggest this that the work of the Round Table Conference has to be assessed by taking the whole thing into consideration. It is perfectly true that great unanimity prevailed, and I want to pay my own tribute of admiration, though I am one of the members, to the spirit of goodwill and comradeship shown by all the British Indian delegates irrespective of class, of race, of creed or of community or sex. I want to pay my special mead of tribute to my European colleagues and to leaders like Sir Hubert Carr, Edgar Wood and Mr. Gavin Jones, to the great help that they gave at every stage of the deliberations of the Round Table Conference and to the far-seeing policy which they adopted with reference to many of these questions. Sir Hubert Carr in the final Plenary Session made a special appeal which found a warm response when he said—and I would draw the attention of my European colleagues to it:

"Let me remind my Indian colleagues to remember this that no convention would be of any good to us, that no statutory safeguard would be of any real value to us, but that the thing that mattered most, the thing on which their future rights and privileges depended was the goodwill of the community as a whole." (Applause.)

When once the European community realises that fact, and if they will bear in mind what Sir Hubert Carr has said,—and here I may say how pleased we are that the European Association has tried to fall back on the leadership of Sir Hubert Carr once more and has invited him to come back to this country and lead their community at this juncture,—if my European friends will bear in mind what Sir Hubert Carr has said, there will be no difficulty in solving a great many problems which may arise with reference to vested interests of British trading communities. I do not want to encroach on this question of trading rights. I feel there are other Members of this House who can legitimately explain any of the provisions which have been suggested with reference to this question.

Sir, I should like to say only one thing with reference to the Round Table Conference and the spirit in which that work has been conducted. As I said, there was no question of a subject nation and a ruling race with reference to that Conference. The very conception of the Round Table Conference precluded the raising of small and trivial issues and making debatable points.

My friend referred to the Government of India despatch and to their proposals with reference to the Reserve Departments. Let me say quite candidly, though I do not know how far the Members of the Government of India will relish the fact, that no Member of the Federal Structural Committee read that portion of the despatch, at least I did not, and I am sure Lord Sankey, even if he had read it, was courteous.

[Diwan Bahadur A. Ramaswami Mudaliar.]
 enough not to refer to it. Now, Sir, it is unfair to criticise the Government of India with reference to that. They were writing for conditions quite different, absolutely and essentially different from conditions which arose at the Round Table Conference. They were referring to a federation as something which might come into existence in the Greek calends. They were referring to responsible government as something which would probably be ruled out as a mere dream. They were not writing for conditions which actually arose in London. (*Several Honourable Members*: "Please go on, go on.") With reference to a great many of these proposals of the Government of India, I do not say criticism, but the observation can legitimately be made that they were making it for another state of affairs and for other conditions and not for the conditions that actually arose at the Conference.

I consider, Sir, that there were three fundamental positions that arose at the Round Table Conference and which have been decided at the conference and which must form the framework of any future constitution of this country. The first is the question of an All-India Federation, the second the principle of responsibility, and the third of safeguards; and here let me say that the Princes played their part most nobly, and the patriotic sentiments which they gave expression to revolutionised most of us with reference to our idea of the Order of Princes and their ideas with reference to the future of this country. Sir, I cannot command sufficient language to tell this House as to how their declaration revolutionised the whole atmosphere, and when the Prime Minister said in the final speech of his that the Princes came, spoke and cleared everything before them, he was giving expression to a bare truism. Here and there there is an idea, and I venture to combat that idea, that the representatives which the States may send will be a sort of bulwark against all progressive legislation, but the statements that their Highnesses made, the obvious patriotic motives with which they were inspired on the Reforms do not lead one to believe that they will be less patriotic in future than they were at the most critical and crucial stage of the constitutional development of my country. I venture to think that he will be a very ungenerous critic indeed who would, in spite of the most unmistakeable signs of patriotism which have been evinced at the Conference, still continue to have that feeling of suspicion. Sir, there are two sorts of mentality that we have got to avoid. There is the inveterate pessimist who looks at everything achieved as really hopeless and that nothing can come out of it. There is the obdurate optimist, on the other hand, who thinks that the heaven has been reached, that the goal has been attained, that we can sit with folded hands and think that a new constitution will suddenly drop down from somewhere. I realise that there are many debatable points, many controversial issues which have not yet been settled. I realise that the path is going to be a very, very thorny one for whosoever continues the work of this Round Table Conference. But given the spirit which existed in London,—the spirit of compromise as between Indians, as between the princes and the commoners, as between British and Indian,—I do not despair of success. Sir, the Prime Minister said in the concluding portion of his speech:

"I hope you will go back and tell your compatriots what you have found. You may have to disagree sometimes and somewhere with the letter of what has been written. I hope you will never have to disagree with the spirit in which you have been met."

And I am here to tell my friends in this Legislative Assembly, and through them, the public at large, that, whatever safeguards we may agree with or disagree with, the spirit in which we have been met we cannot gainsay, and let us all work for that future, irrespective of what the past has been, in the hope that we shall usher in a day when it can truly be said:

"The star of love, all stars above,
Now reigns over earth and sky,
And high and low, the influence know." (Applause.)

Mr. R. S. Sarma (Nominated Non-Official): I am afraid, Sir, that the previous speaker, Diwan Bahadur Ramaswami Mudaliar, with whose speech I entirely agree, has not however made a good debating point when in the course of his concluding remarks, in paying a tribute to the Princes he said that they came spoke and conquered! That rather looks suspicious; and I should like him to have said that the Princes came, spoke, but were conquered by delegates like Sir Tej Bahadur Sapru and Diwan Bahadur A. Ramaswami Mudaliar. (Laughter.)

I am glad that the Leader of the Opposition, as well as the Leader of the new Independent Party have been this morning full, frank and generous in their appreciation of the conclusions of the Round Table Conference, as embodied in the historic statement of Mr. Ramsay MacDonald. I wish, however, that the sane and sober advice of my Honourable friend, Diwan Bahadur Rangachariar, had been followed by Mr. Shammukham Chetty, and I think it would have been better for the latter to have confined himself to remarks of a general nature and not given the debate an acrimonious and racial turn. (Laughter from Opposition Benches.) (*An Honourable Member*: "Truth is truth".) Mr. Chetty was talking with patriotic fervour of an India mortgaged to the hilt. With passionate emphasis he spoke of Tom, Dick and Harry coming to this country and carrying on trade and commerce as he liked. I can quite appreciate that this indignant gesture is quite necessary and essential from a particular point of view. This is useful when Honourable Members want to make their retreat secure, when they want to keep themselves in the good books of the Swarajists, and when the imminent change in the Swarajist policy comes, they will be able to sail under their flag safely to the haven of the Legislative Assembly

Mr. B. Das: You are now sailing under the flag of Clive Street.

Mr. R. S. Sarma: Yes. Any way I am not at all speaking either on behalf of Clive Street or anybody else and I know that Clive Street has supported the Swarajists and Swarajist papers more than they have supported me or people who hold views similar to mine.

Mr. S. G. Jog (Berar Representative): Sir, we are now discussing the findings of the Round Table Conference.

Mr. R. S. Sarma: I was going to say, these people, by such interruptions, and display of patriotism would be able to sail under the Swarajist flag to the safe haven of the Federal Assembly and not find themselves stranded high and dry on the barren rocks of obscurity and nothingness. Sir, I am one of those who believe that we ought to meet frankness with

[Mr. R. S. Sarma.]

frankness, and the frank and full-hearted statement of the Prime Minister should be met, in my opinion, with the same frankness and full-heartedness. Tributes were paid this morning to the delegates of the Round Table Conference. But I think the tributes will be more sincere if, instead of their being merely couched in words, we show in our actions that we appreciate the standpoint that they have taken and we accept the principles underlying the scheme which has been adumbrated by the Prime Minister. After all, the Prime Minister's statement—it will probably be a commonplace now to say it—is a great historic document, and for ages without end it will remain as a shining landmark in India's political freedom. Sir, Mr. Shanmukham Chetty said this morning that the Prime Minister was halting with regard to safeguards and he could not adequately understand the implications of them. Sir, what pleases me most with regard to the statement of the Prime Minister is the transparent sincerity and what I may call the courageous modesty of its tone. (*Mr. B. Das*: "Question".) He has never told us for a moment that he is going to give Mr. Chetty, or Mr. Das, or any one of us here, the moon from the heavens. He has said very clearly and very definitely that so far he can go, that the Cabinet, or himself would go so far and no further. We all know that the concessions from the financial aspect are hedged round by reservations, by limitations and by safeguards, and I think we owe it to the Prime Minister, to the British public and the delegates of the Round Table Conference, we owe it to these people to tell them very frankly that we accept the conclusions of that Conference unreservedly in all their implications. There are, Sir, reservations and safeguards. Sir Cowasji Jehangir will probably be in a better position to tell Mr. Chetty the position with regard to the Dominions, but I wish to tell him that when we analyse the constitution of any country, we always find such reservations and safeguards, somehow lodged with the executive head of the administration. He will always find them in any constitution, and I should like to have a correction from him if he can point out to any constitution, where such reservations ultimately are not lodged with the supreme head of the administration. After all, Sir, talking about safeguards, reservations, and limitations, or call them whatever you like—do not these things boil down to one thing, namely, mutual trust in their application, mutual trust and mutual goodwill and co-operation? If there is that goodwill, that trust and co-operation between the Britishers and Indians, it may be that none of these reservations, none of these limitations, none of these safeguards would be brought into play; these may not be put into operation at all. But, if, on the other hand, there is not that mutual goodwill, if there is suspicion, distrust, and bitter ill-will, I may then say, however much Mr. Chetty may like to have a paper-perfect and theoretically fool-proof constitution, it will never operate to the good of this country, it will never be to the blessing of the people. After all, it is this weak mistrust in our own capacity, it is this feeble man's futile desire to have everything drafted and settled as if in a legal valid document, it is this idle insistence on preliminaries, that have been the cause of India's misery in the past, and which, I am afraid, is going to again land the people of this country into another shipwreck. After all, as I have said in the beginning, the Prime Minister's statement makes a great beginning. I go further and claim for it that it lays broad and deep the foundations of India's future freedom. It is now

up to us to provide the rest. Freedom will never come packed in the four corners of a constitution. It is the brain, the will, the capacity, the character, nay the daring of the people, that will build up stone by stone, the fair mansion of Liberty. Let us therefore pool into one common stock India's great reservoirs of wealth in these respects and I hope, Sir, that if that is done, India's destiny will be as great in the future, as it was glorious in the past. (Applause.)

Mian Muhammad Shah Nawaz (West Central Punjab : Muhammadan) : Mr. President, I am sure it will be admitted on all hands that the Round Table Conference has achieved a great success. After many doubts, fears and set-backs, it has triumphantly evolved the main features of a Dominion Status constitution for a self-governing India. There are many important cardinal points still to be settled, many gaps still to be filled in and a tremendous amount of subsidiary work to be done to complete the picture, but the fact remains that the Round Table Conference has achieved what every patriotic Indian insisted that it should do. There is room for improvement and I daresay that by further arguments and negotiations the proposals of the Round Table Conference will be greatly improved. In the gracious words of His Majesty the King-Emperor, it has opened a new chapter in the history of India, and we all hopefully look forward to an outlook which will restore peace and contentment throughout this country. Sir, the Premier's declaration is reassuring and emphatic. Briefly put, it says that the responsibility of the Government of India will rest upon the Legislatures, both Central and Provincial, subject to necessary safeguards during the period of transition and also with such guarantees as are required by the minorities to protect their political rights and liberties. With full responsibility in the provinces, with responsibility at the centre, subject to safeguards, it will be the primary concern of His Majesty's Government that the reserved powers are so framed and exercised as not to prejudice the advance of India through the new constitution to full responsible government. After the expiry of two years, we will see India enjoying the responsibility, the pride and the honour of a self-governing nation. It is refreshing to note that these principles, which stand supreme and inviolable have received the blessing not only of the Labour Government but of all the political parties in the House of Commons. That is a factor of very great importance since a change of Government in the near future cannot affect the principle. Sir, towards the momentous achievements of the Round Table Conference all the delegates have contributed, and my congratulations to them. But India will pay a special tribute to the Princes without whose co-operation the Round Table Conference edifice could not have been erected, to Sir Tej Bahadur Sapru, for his able and statesmanlike presentation of India's case, to His Highness the Aga Khan and Sir Muhammad Shafi for pleading India's cause generally and in particular for pressing the Muslim point of view, to the Prime Minister and Lord Sankey for their able and effective guidance, to Mr. Wedgwood Benn for his untiring energy to make the Conference a success, to Lord Reading and other members of the opposition for their valuable help.

Maulvi Muhammad Yakub (Rohilkund and Kumaon Divisions : Muhammadan Rural) : Last but not least, to Begam Shah Nawaz. (Loud Cheers.)

Mian Muhammad Shah Nawaz: . . . and to my good wife for her humble services. India ought to pay a tribute to Lord Reading and Mr. Baldwin for their readily accepting the principle of the Federal Constitution with responsibility at the centre subject to safeguards during the transitory period, and above all to His Excellency Lord Irwin but for whose initiative the Round Table Conference would never have come into being. Sir, the main points to which criticism will be directed in this country are the safeguards in the centre. Now, I must make it quite clear that in determining the final shape of the safeguards, Indian opinion is entitled and is indeed bound to insist that they should be no more and no less than what India's own interests require. Clearly the safeguards go too far, and although I do not agree with all the arguments that have been advanced by my Honourable friend, Mr. Chetty, I think there is considerable force in some of them. These safeguards can be placed under four categories. In the first category, are the reserved powers of the Governors and the Governor General. In the case of the breakdown of the constitution or the Government, there should be some one to carry on the King's Government. These safeguards exist in every type of sound constitution, in some form in all the Dominion constitutions. Were India to make her own constitution unaided by any foreign Government, there would still be safeguards in it. I hope that occasion for their use will seldom arise in India. In the next category come the financial safeguards. The provision regarding the external debt can easily be understood. These debts were incurred under the guarantee of the Secretary of State or the British Government and that guarantee must continue to protect India's credit. The provisions regarding India's internal credit are vague and wide. The Governor General will continue his responsibility for the control of currency and credit until the establishment of the Reserve Bank. Now, I do not know when this Reserve Bank is to be established. Unless and until the Princes come to our help, I do not see how this Reserve Bank is going to be established within the next five or six years. Until then, the currency policy must remain in the hands of the Governor General. Is there no *via media* by which the Finance Member may be made responsible to the Legislature? The position of the Finance Member till the establishment of the Reserve Bank will be most awkward, because on the one hand he will be responsible to the Viceroy, and on the other hand he will be responsible to the Legislature. What India needs badly is the financial, fiscal and economic control for her much needed developments in all directions. Therefore, these financial safeguards must be readjusted by further discussions and negotiations. Then there are the safeguards for defence but Indianisation of the Army must proceed apace with the establishment of an Indian Sandhurst. I am very glad that His Excellency the Commander-in-Chief has given an assurance that the Indian Sandhurst shall be established soon, and that the Reports of the Military Requirements Committee of 1921 and of the Sken Committee of 1922 are washed out. A new expert committee is to be set up immediately, and I do hope that it will recommend the complete Indianisation of the Army within a defined period.

Then, Sir, there are the safeguards for the minorities, and here I must confess that I am disappointed. It would have been far better for the delegates to have come to a definite conclusion on the communal problems.

Unfortunately the communal differences are still hanging fire. It is now for us to settle our differences, and we do hope that we will settle them. The Moslem position is summarised by His Highness the Aga Khan on pages 232 and 233 of the Round Table Conference proceedings. I do not want to say more about these communal differences, but I insist that it should be the duty of every responsible Indian, belonging to whatever creed or religion, to settle these differences. Otherwise we cannot show our face to the outside world.

I must now refer to the constitution of the North-West Frontier Province. I am not satisfied with the Report of the Sub-committee No. V. (North-West Frontier Province). I say without hesitation that the constitution of the North-West Frontier Province should be on the same lines as the constitution of the other major provinces of India. The Ministers should be responsible to the Legislature and the official bloc should be eliminated. Now, Sir, we have to consider the effect of the Premier's declaration and the Round Table Conference decisions on India? They are very highly satisfactory to the delegates. They claim, and I believe they claim very rightly, that they have achieved something very big. But it is for the members of the Round Table Conference and those who believe in the decisions of that Conference to convince the doubters that the goal has been won. It is for them to convince the waverers that India has obtained a great constitutional victory. It is for us all to tell the Congressmen that, with some improvement, the new constitution will have the substance of independence. (*Mr. K. Ahmed*: "Hear, hear.") Sir, in this country, and also in England the decisions of the Round Table Conference will be met in some quarters with suspicion with doubt and even with hostility—a legacy of the tragic times through which we have been passing. But now that the Round Table Conference has proposed a Dominion Status constitution subject to safeguards, I ask, is it not better for the leaders of the Congress to come in and co-operate and improve the proposed constitution by further negotiations? Is it too much to expect that they will accept the hand of friendship? Sir, this is the supreme test of their leadership, patriotism and statesmanship. Is it too much to hope that they will abandon their present method of sacrifice and non-co-operation and will try once more the methods of discussion, argument and negotiation? Sir, statesmanship has only one answer to give to that question. We solicit their services to build up the new constitution. It is no use now agitating against some unreal grievances, uttering some old formulas because if they will continue doing that, they may rob India of the achievements of the Conference and drive this country into years of suffering and chaos. Sir, the past is of very little consequence. Let bygones be bygones. It is the present that matters; and I do hope that, with the help of God, we will have strength, courage and wisdom to achieve everlasting peace and goodwill and complete understanding between India and Britain. There is enough evidence in the proceedings of the Round Table Conference and the Premier's statement to prove that there is a change of heart on the part of the British people. There is no reason why we should not respond. Believe me, Sir, an alliance between Great Britain and India will exert the greatest influence on the peace of the world and will decidedly promote the cause of humanity at large. May we accomplish that alliance soon! (Loud cheers.)

Mr. B. Das: Sir, I must congratulate first my Honourable friend, Diwan Bahadur Ramaswami Mudaliar, for his able maiden speech (Hear, hear"), and I also welcome him as a Member of this House. Sir, I never expected from a study of the White Paper containing the debates of the Round Table Conference that members of that Conference who accidentally happened to be Members of this House, should stand on their defence. Sir, I am surprised to find my Honourable friend, Sir Cowasji Jehangir, questioning and challenging my Honourable friend, Mr. Chetty, as also my friend, Diwan Bahadur Ramaswami Mudaliar, has done. The Round Table Conference took place—whether with the sanction of this House or without its sanction is a point that I am not going to speak upon at present—but it is well-known that the Round Table Conference did not represent the majority of the people of India. I speak here not only as a nationalist but also as one at the tail end of the Congress who were kept out of the Conference by the deliberate policy of the Government of India and also by the British Government. What is the use of paying compliments here to the pious wishes of the Prime Minister and to the pious hopes as expressed in the speech of the Prime Minister? I want to judge the British Cabinet by their action. I want to see first the Government of India Bill which they will bring before the House of Commons. Then I will say whether they have conceded to India what India wanted. Sir, I do not want to refer in detail to the important issue on financial safeguards which my Honourable friend, Mr. Chetty, has so fully discussed; my friend clearly pointed out what were his anticipations and what were his grounds of suspicion, and I want any member of the Round Table Conference who happens to be also a Member of this House to note these points and to clear these points at the next Round Table Conference when the Government of India will place these debates before that Conference. If any such Member who will rise after me today or on Saturday, can prove that the safeguards, which are a terror to many of us on this side of the House, do not possess that degree of strength, that degree of fear which we apprehend on this side of the House, let them do that. What is the use of paying mutual compliments to each other—to those who were members of the Round Table Conference or to the members of the British delegation—and saying that at the Round Table Conference some work has been done? We have to judge them when the final stage is reached, and nobody yet knows. As Sir Samuel Hoare said on behalf of the Conservative Party, until the Conservatives see the complete picture, they are not going to say what the Conservatives will do. Similarly on behalf of the Nationalists—and if I can to some extent gauge the mind of the great Congress people that are outside this House—we will not treat with any confidence the decisions of the Round Table Conference or the intentions of the British Cabinet—with the slander and bravadoes and provocation indulged in by Mr. Churchill and others and hurled at the British Cabinet's declaration—until we see the complete picture. My friend, Sir Hugh Cocks, gave a little warning to this side of the House because he got a little nettled at the speech of my Honourable friend, Mr. Chetty.

Sir Hugh Cocks: No, not nettled—interested.

Mr. B. Das: My friend says, "Let the House not be in a hurry, it will take months and months."

Sir Hugh Cocks: Sir, I did not say "months and months". I said it would take months.

Mr. B. Das: I am glad for that correction. I hope in a few months India will attain self-government and Dominion Status, for which we have been fighting on this side of the House. Sir, as regards the safeguards, as long as these are for a limited period, say for a period of five years, many of us on this side of the House may concede those powers of reservation to the Viceroy, but in one thing I would concede nothing to the Governor General or to the British Cabinet, and that is in the matter of the Reserve Bank. Where, Sir, is the pledge of Sir Basil Blackett, who told us here, "Give us the 18 penny ratio, and before 1931 the Reserve Bank will be placed on the Statute-book." Has that pledge been fulfilled? Concessions are extracted whereby India is exploited, and the supplementary part of that pledge, which will benefit India, is completely forgotten and the claims of India are deliberately set aside. I will be no party to the proposition that a Reserve Bank should be a condition precedent to the final constitutional settlement of India or that the Reserve Bank should be controlled by an Act of Parliament.

Sir, many compliments have been paid to the Indian Princes. I am glad they have come into the picture. I am glad they want to honour us by being Members of the future Federal Legislative Assembly. I have tried to read all the volumes placed in our hands. I have not come to recognise how far they will be in the picture as ornaments or as active Members of the Federal Assembly. They say, "Touch us not in our internal policy, we will come and criticise you." One hundred of these Princes or their representatives will be so to speak nominated Members, and they will always be on the side of Government and they would always oppose the Opposition. Then, Sir, there is the other question, whether the States are going to be represented on a population basis, or whether the people of the States are going to get representation, though I would concede that for the present they would be nominated as representatives of their State Governments. Then, what will happen to those small States which contain a population of 5,000, 10,000 or 20,000, with an income of from Rs. 5,000 or Rs. 20,000 or a little more and which are at present entirely controlled by subordinate officials of the Political Department? If they are conceded the right of electing Members to the Federal Assembly, will they have the right of electing those representatives themselves as Members of the Federal Assembly, or will they be under the beck and call of my Honourable friend Mr. Acheson's subordinate officials who will elect their nominees? Does not the Political Department rule thousand of Indian States? Many of these smaller Ruling Princes or Rajas have not got the power to award punishment for even two months not to speak of two years. They have no system of judiciary in these small States. Their administration is primitive. I will instance some of the minor Kathiawar States and also the minor Orissa States, where the Political Officers administer justice and mete out capital punishment. How can these Princes come and be our equals in this Federal Assembly? There must be some standard of qualification. There must be a qualifying test by which these Princes by their good government and good administration will be qualified to come as Members of this House or their people will be allowed to qualify themselves for election. Most

[Mr. B. Das.]

of these States have forced labour in full practice. British India does not want to deteriorate by association with those autocratic Princes who are completely under the rule of British political officers.

Sir, regarding safeguards, as I said the other day, I very much apprehend that the railways will be converted into a statutory body and will pass away completely from the control and administration of this House. I want the future Round Table Conference to look into that question. About the Reserve Bank, I have already spoken. About defence my Honourable friend, Mr. Shah Nawaz, said just now that the Army should be Indianised. I do not want that the Army should be Indianised under British tutelage. I want the expenditure on defence to be controlled by this House. If at this stage defence should be reserved and the British Government want an army of occupation in India, and if they demand a certain amount of money, I am ready to concede 15 or 20 crores to them to have their army of occupation, as they have at present in Egypt, until the transitional period of 5 or 10 years elapses. But I will never be a party and I will not praise the members of the Round Table Conference if they concede that 50 crores will be handed to the British Army Department and they will maintain an Army in India in full readiness for any war in Asia. Of course I want the Army to be Indianised. I want that, apart from the British Army of occupation, there should, simultaneously and immediately with the promulgation of the new constitution, be an Indian Army or a Dominion Army evolved under the management of the Indian Minister of Defence. I take off my hat to that Member of the Cabinet of the Government of India who had the courage to put in that recommendation in the Government of India's despatch which, as I said the other day, has become out of date and too antediluvian.

Then, Sir, much has been said about the external credit of India. If India remains a part of the British Empire, an equal partner in the British Empire, then India's credit by itself shall be enough to take external loans either in England or in America. Why should India always go to the Bank of England or the British Cabinet to get a recommendation to get a loan of 5 millions or 10 millions. I do not like to entertain that sort of idea. The very fact that the Round Table Conference considered that aspect, shows that there is some reservation at the back of the mind of the British delegates, and they always want to treat India as a subordinate organisation and not as part of the British Empire.

Sir, the Honourable Sir Abdur Rahim spoke of the problem of Burma. If my Burman friends want separation, we will not stand in their way, but we will be very sorry if Burma does not get equal status, if Burma does not get the same Dominion Status as India is getting. If they want to be separate, let them be separate but there is grave apprehension in the minds of many Burmans and also in the minds of many of us, that the British Government and the Government of India want to convert Burma into a Colony of the British Empire.

Mr. Ganga Prasad Sinha (*Muzaffargarh cum Champaran: Non-Muham-
madan*): What about Orissa Province?

Mr. B. Das: Sir, my Honourable friend, Mr. Gaya Prasad Singh, reminds me about Orissa, about the creation of a separate Orissa Province. Sir, I find that the Raja of Parlakimadi, who indirectly represented the people of Orissa, bronched before the Plenary Session of the Round Table Conference that problem, and I find it was noted. Noted means everybody approved of the creation of a separate province. I want to remind the Honourable the Home Member that one of the recommendations of the Government of India's despatch, as well as the recommendation of the Bihar Government, as also of the Simon Commission and the Round Table Conference was that a Boundary Commission should be immediately appointed. The other day my Honourable friend said that he had received no orders from the Premier so far on the subject. We know this is a matter which does not require any further decision of the Round Table Conference. My Honourable friend should cable to the Prime Minister and get his orders and take steps immediately to appoint a Boundary Commission to settle details about the formation of the Orissa Province.

Sir, we are not here merely to give blessings to the pious hopes expressed in the recommendations of the Round Table Conference. I want everybody to realise that, unless the Congress comes into the picture at the second Conference, no constitution can be evolved which will bring India and England together in abiding friendship. As rumour has it, there is going to be a settlement. For that again my tribute goes to that great Viceroy, Lord Irwin, who is negotiating for peace with the Congress. that represents the majority of the population in India. It is no use remaining closetted in this House and saying we have to ignore the external situation. Without the Congress coming into the picture, I say with all the emphasis at my command that there can never be abiding peace between England and India. Whether the Government of India take part in this debate or whether they merely transmit our debate to the British Cabinet, let them tell the British Cabinet that without the Congress in the picture, there can be no peace in India and there can be no peace for England.

Shaikh Sadiq Hasan (East Central Punjab: Muhammadan): Sir, this Round Table Conference which has taken place now I think should have taken place seven years ago. But unfortunately at that time we had not such a sympathetic Viceroy as Lord Irwin, and during these seven years there has been much trouble in India. People have been beaten, people have been imprisoned and all this has made the heart of the people very sore. So what would have been acceptable seven years ago, cannot possibly be acceptable now at the present moment. In any case, it stands to the credit of Lord Irwin, who will be counted as one of the greatest Viceroys of India and the most sympathetic of them, that he got into his head the idea that the aspirations of the Indian people should be met. And luckily for India at the present moment there was at the helm of affairs Mr. Ramsay MacDonald who is one of the greatest of English Premiers. Mr. MacDonald saw a few years ago that Englishmen were hated everywhere. Englishmen were hated in Mesopotamia, English people were hated in China, English people were hated in Egypt, for the reason that in the name of humanity they would subordinate the interests of these countries to their own selfish purposes. Mr. Ramsay MacDonald saw what was happening and saw that the English people were hated everywhere. He

[Shaikh Sadiq Hasan.]

reversed the policy, with the result that feelings have been more or less allayed in those countries. I must say that India still hates the English Government in India, and let us hope that the very wise policy of Mr. MacDonald will allay that hatred.

Sir, about the members of the Round Table Conference, I must appreciate the great work that they have done. These gentlemen have impressed the world, and I think that is a great thing for India. But I must surely challenge the statement of my Honourable friend, Dewan Bahadur Rangachariar. I say that in no sense were they our representatives. If they had been our representatives, we should have accepted what they decided, and if we do not accept their decisions it would be bad faith on our part. But it is not bad faith on our part, not to accept what these gentlemen decided, because we never elected them and the Congress did not elect them. So although we have got great appreciation of their services, we cannot in any case consider them as our representatives.

Sir, the Prime Minister must be congratulated on his wise announcement. Of course the Viceroy, as I have already said, has done a great deal for Indian aspirations and more than any Englishman has done. However, there are certain aspects of the problem with which I should like to deal. We have not come here only to talk generalities, as my friend, Mr. Sarma, said. We want to discuss certain problems which we think have not been satisfactorily solved in this Conference. First of all, I take the question of the Frontier Province. The Frontier question is very important. What are the people of the Frontier Province going to get? The people of the Frontier Province are going to get much less than what we got in 1919. The Frontier Province is going to get two Ministers, one of whom shall be elected and the other will probably be nominated. There will be 14 nominated Members in a Council of 40, and my nominated friends will excuse me when I say that I find some of the nominated Members more pro-Government than even the officials themselves.

Nawab Sir Sahibzada Abdul Qaiyum (Nominated Non-Official): So are some elected Members also.

Shaikh Sadiq Hasan: I said some of them, not all. But some of the elected Members may be so too.

I am now going to say something serious and it is this. You want to have discontent. There will be discontent on the Frontier, and what does that mean? You must carefully consider that. If there is contentment on the Frontier, these people will never allow the trans-frontier people to come and invade India. But if there is discontent on the Frontier, they would naturally think it much better to sever their connection with India and fall into the arms of Afghanistan, which would give them more liberties. A contented Frontier means that you save half your military expenditure and that is what the British Government in India does not like. They want to spend more money on the Army in order to have a hold over India. If they give full rights to the Frontier people, there would be no likelihood of a foreign invasion, but if there is discontent these people would think it much better to join hands with Afghanistan and will always be a menace to India. So I think the Indian delegates in the Defence Sub-committee cannot justify their position as they did not desire the same thing for the Frontier which they desired for the rest of India.

Now, Sir, I come to the second point. The second point is the problem of defence, and here I must say a few words again. No country has got the right to liberty until it can defend itself, and it should apply to India as well. If India cannot defend herself, she should not be given liberty, but we have to see whether Indians are unfit for military leadership or they have been made unfit by the British Government in India. I will crave the indulgence of the House if I go a little into earlier history, but I will keep on jumping over centuries in a few minutes. Let us think of Ramachandra, the hero and conqueror of Ceylon; let us think of the days of the Mahabharata when heroes fought against each other. Let us think of the days of Alexander the Great, who invaded India and could not cross the Sutlej because his soldiers refused to cross it as they were afraid of the bravery of the Indians. Chandragupta drove out Seleucus and conquered Afghanistan.

Dr. A. Suhrawardy (Burdwan and Presidency Divisions: Muhammadan Rural): Come to Mahmud of Ghazni.

Shaikh Sadiq Hasan: I am coming to that, don't worry. Later on, during the days of Asoka, India was a maritime power. We had a navy at that time in India. Indians went to Java and conquered and colonised it. Ceylon was conquered, Indo-China was conquered, and later on came the great empires of Kanishka, Gupta and Harsha. Then I come to the period of Mahmud of Ghazni. No doubt in those days Indians had become a decaying nation on account of various reasons and they fell a prey to foreign invasion. Sir, I must say this, that these Afghan kings, Alauddin Khilji and others, had Indian blood in their veins. I must say that even in the last period, we find that there have been great conquerors like Aurangzebe, Shivaji and Ranjit Singh. What I am saying is that we are not lacking in military leadership. The English have taken away arms from us. The highest paid Indian officer in our Army is only a Major. There are only two paid Majors in the Indian Army. Then they say, "You cannot defend your own country". We will not be satisfied until we have got more of a hand in the defence of our own country. Government must decide to Indianise the Army as soon as possible. There should be an Indian Minister for defence. I would also urge the reduction of the cost of the Army. I would also suggest conscription in this country. There is a good deal of unemployment in this country and unfortunately the British Indian Government is bankrupt in finding employment for them. If these people have nothing to do and if they are taken into the Army, nobody would be a loser, but the country would be a gainer. Then there is the problem of Burma and we would like exactly to do what the Burmans want to do. We have got no selfish interest in that matter. We want to follow their point of view.

A word about the British commercial community. I must say that we must give the same privileges to them as they give to us in England. In this connection I absolutely dissociate myself from the remarks of Mr. Chetty. I think we should give them the same facilities as the Indians are given in England. Of course these remarks do not hold good for some of the Dominions who do not treat Indians well.

I am very glad that the women are coming into their due share and the women are going to get some rights. They have been kept in the back ground for a long time, and I hope that with their political advancement the country will be much better off.

[Shaikh Sadiq Hasan.]

Sir, a word about the minority problem. There was a meeting—it was not a private meeting—held by the Muslim Members, and they definitely decided that they stand by the Resolution of the Muslim Conference and also by what the delegates did in London. I have a word to say to my own community as well. They should grow more enthusiastic about their own country. They must strive and struggle to attain freedom because it is only then that the nations grow strong. After all, what are all these guarantees, unless the sanction behind them is their own strength? I think the minority community would do well if they took a more active part in the strife and struggle for the freedom of their country. (Hear, hear.) What is my ideal? My ideal about India is not a land where chaos prevails. My ideal about India, which I would like to put before my countrymen, is, India cut on the same old pattern, old ancient India, land of culture, land of learning, land of art, land of industry, prosperous and strong India. (Applause.)

Raja Bahadur G. Krishnamachariar (Tanjore *cum* Trichinopoly: Non-Muhammadian Rural): Sir, so much appreciation has already been given to the work of the Round Table Conference, that I do not intend to spend more time of the House by reiterating what fell from other Honourable Members regarding the work of that Conference. There is no doubt that a great deal has been done, and if I intervene in this debate, it is only to submit a few observations regarding what I heard about the prospects of settlement that might come into existence if certain contingencies do or do not occur. Sir, there is no doubt that but for the courageous and patriotic stand that the Princes and their delegates took at the Round Table Conference, the atmosphere would have been a different one. But at the same time I am afraid that, in considering the most important question before the Conference, namely, the question of constitution, the federal side of the constitution, had more attention bestowed upon it than the alternative. I have no complaint against this. It seems to me, however, that the question whether it was possible or not, *i.e.*, whether the present unitary constitution could be so adjusted as to bring in that federal principle until at any rate such time as princes would come in larger numbers into the federal constitution, has not been fully considered. The one man who could have rendered a great deal of service in this respect unfortunately became a convert in the early days of the Conference to the federal view, I mean, the Right Honourable Sastri, with the result that the case for the unitary constitution was not considered and went by default. Let me not be misunderstood. Eventually if the Princes have to come into this constitution, the federal system is the only system that would work. But I am perfectly sure that the federal system, if it comes into existence, will not be the federal system that is now known to the world, but it will be a very peculiar federal system suited to the genius of the country, where the Indian Princes as well as the Provinces and the Central Government would all federate. Although the Princes have very generously come forward, whether they are quite prepared to enter into this federation at once must be fully considered, looking at the conditions they have imposed, first their own treaty rights, next their relations with the Crown and lastly the subjects in which they are interested in common, with British India. Now, Sir, considering the fact that even two years ago, at the time when the

Nehru Report came into existence, some of our more-prominent statesmen, were of opinion—I do not know if they have now changed their opinion—that the relations of the Indian States were not with the Crown but with Government of India, considering the fact that they stated that the new Government of India would take up the position of the Indian States at the point at which the Government of India has now pushed it through, the result of which has been so graphically depicted in a picture by His Highness the Maharaja of Bikaner, does anybody seriously think that all these questions could be settled so very easily? And then at the top of it all, there is the question of paramountcy. Now, Sir, Lord Reading—it might be impertinent on my part to cross swords with the late Chief Justice of England—in a cooler atmosphere, where probably he has not been hampered by other considerations, very generously withdrew at the Round Table Conference from the position that he took some time ago when he allowed his Home Member to state in 1924 that there was a difference between responsible government and Dominion Status. He said he was not standing on that position, and similarly I have no doubt that if the question of paramountcy had been placed before his Lordship in an equal manner, he would have resiled from the position that he took up—and I would respectfully submit—that he unjustifiably took up in that letter to His Exalted Highness, the Nizam, about the question of paramountcy. How the paramountcy ever came into existence in the hands of the British Government without the Indian States having given it to them, I do not know. I believe it was Lord Watson who, in that great case *Yusuf vs. the Crown*, said that the fountain can never rise higher than its source. The Government of India and His Majesty's Government have no power over the Indian States except what they themselves surrendered. And yet there are certain expressions that have been used, treaty, sufferance and usage, which have been relied upon in order to trench slowly upon the powers of the Indian Princes. Fortunately, in the year 1902, the Crown lawyers advised His Majesty's Government that these words cannot authorise them to encroach upon the rights which were not actually given and therefore, Sir, the Foreign Jurisdiction and Extradition Act was repealed and a mere Extradition Act was passed at the time. I am saying all these things to show the difficulty that lies ahead before the Princes can come into the federation.

Then so far as the treaty obligations are concerned, they are of such a varied nature, commencing from the rights which have inhered to the State of Hyderabad, to the rights of smaller Princes with a few acres of land in Kathiawar, that to adjust them would take very long. I hope there is no truth in the position taken up, that unless there is a federal government, there is not going to be responsibility at the centre, and this is what I was going to say when I began to submit my observations. It is stated that responsibility at the centre has only been accepted by the British Government subject to a federal government coming into existence. Now supposing that a federal government does not come into existence, not through any fault of ours, not through any fault of the provinces, which are not and cannot be legally federal units until you give them more powers than you have already given them, supposing the Princes cannot come on account of the difficulties that you yourself have enumerated in your Report, what about responsibility at the centre? I respectfully but very firmly point out that it would be the greatest mistake that the British Government will ever commit, whether out of a pre-conceived notion

[Raja Bahadur G. Krishnamachariar.]

or on the spur of the moment, if they come to the conclusion that because the federal government cannot come into existence immediately therefore no responsibility would be given at the centre. That would be making the greatest mistake and all that they have done in England, all that they propose to do hereafter, all that they may do hereafter, will be absolutely of no consequence whatsoever if this responsibility at the centre is not given and could not be adjusted even though there is delay, as there is bound to be if the Princes are to come into the federation. That is all I have to say.

Mr. Nabakumar Sing Dudhoria (Calcutta Suburbs: Non-Muhammadan Urban): Sir, it is impossible to do full justice to the various conclusions that have been arrived at by the Round Table Conference in the short time at our disposal. I shall, therefore, deal with the points, which are not peculiarly Indian. Of course, Sir, I have nothing but admiration for the conclusion that it is the federal system that is most suited to India, though the existence of Native States in India has made the Indian constitutional problem very difficult.

One wonders how this great constitution can be formed and when it will come into force. Had the Round Table Conference definitely declared the limit of the transition period, we could have no objection to the various reservations which it has made. If the period remains indefinite, the result would be total failure. Time must be specified. In my opinion, at the utmost, twenty-five years can be allowed for the full growth of such constitution. Here again, I would like to mention how in such a short time we can have full federation.

In the first instance, separate electorates, as now, should exist in the Legislatures; but it must be clearly stated in the Parliamentary Act that in future the Legislatures shall be at liberty to do away with the system, for matters of election should always remain the sole concern of Indians alone.

Every province should be first made a real unit, by allowing it to have all the requisite powers of a full State, that is, in Navy, Army, Air Force, etc., at least with a small beginning, so that it might be in a position to form its own federation, in time to come. To control the above branches, the Legislature of the province must have the full power and authority, subject to the discretionary power of the Governor, only under extreme circumstances. The question of emergency must be decided at the first instance by the Governor; but after a reasonable time, it should have been declared valid by an Act, passed by the Legislature. Should the Provincial Legislature not pass it, the Central Legislature should have the authority to pass it. Even if the Central Legislature refuses to pass it, this Indemnity Bill must be passed by the Parliament, otherwise it shall cease to remain in force. Until such time, as the Parliament does not pass the Bill, the Governor General's order will remain in force; but in case the Parliament delays to pass it at the first Parliamentary Session, the decision of the Indian Legislature will at once come into force. Sir, in order to achieve full federal government, every power must be delegated to the Legislature, from time to time, during this transition period. Only by doing this can a real advance in administration be made. To begin with, the Legislature must have full powers over the "Transferred

Subjects". Ordinarily the Governor or Governor in Council shall have no power over them, but in the case of emergency, full power may be vested in the Governor.

Any surplus money that the Central Legislature raises on their own accord by means of taxation, will be solely under the control of that body and they will be competent to administer it in any way they like. Also any reserve fund that they are able to build can be used by them in the way they desire. The Governor General will exercise the emergency power to stop the expenditure if he does not approve of it; but he will not spend it of his own initiative. After stopping the expenditure, the Governor General will have to get the sanction of Parliament to do so. This measure in my humble opinion should be introduced during the transition period. For the purpose of raising loans abroad, the advice of representatives of both the Houses must be taken in the Executive Council of the Governor General.

The deliberations of the Round Table Conference give the impression that the discriminatory power is to be given permanently to the Governor General in Council. Sir, if this be so, any Bill in the interests of the country, such as the Coastal Reservation Bill, will have no chance of being passed.

Without even being domiciled in India, if persons be allowed to enjoy all the rights of citizenship, and this be the principle even when the transition period has elapsed, will then India be equal in status to other Dominions, *viz.*, Australia and Canada?

As it is admitted by the Round Table Conference that the conclusions arrived at are not final, it may be hoped that these suggestions will not be totally brushed aside, when final drafting of the constitution takes place.

Pandit S. N. Sen (Presidency Division: Non-Muhammadan Rural): Sir, with your permission, I will make some observations on the recommendations of the Round Table Conference. I do not hesitate to admit that the recommendations are distinctly ahead of the Montagu-Chelmsford Reforms. The structure of the proposed constitution is autonomy in the provinces with reservations for the Governors, and a federal constitution in the Central Government. Sir, it is worth while to examine the exact nature of the Central Government that we are going to have. On a careful scrutiny, it will be found that the proposed constitution is practically nothing more than a form of dyarchical constitution. Sir, we, Indians, are fed up with dyarchy. Most of us are tired of it, and it is perhaps for this reason that the Members have studiously avoided the word dyarchy in their Reports. Sir, I am not going to say anything positively against dyarchy, but what I do say is that we should know our position accurately. We should be perfectly disillusioned in this respect. It is with this end in view that I make it clear that it is nothing but a form of dyarchy. And I have at my back no less an authority than the Government of India themselves. While discussing the system of Central Government proposed by the Simon Commission, the Government of India in their memorable despatch have said:

"Constitutionally it may be distinguished from dyarchy in that in the main sphere of Government there would be no division. But if the excluded sphere were appreciable there would naturally be two Governments."

[Pandit S. N. Sen.]

Now, Sir, let us see if 'the excluded sphere' in the present case, as suggested in the recommendations of the Round Table Conference, is appreciable or not. The recommendations have suggested the complete reservation of the three largest subjects to the Governor General, namely (i) Military charges, (ii) Debt services, and (iii) Pay and Pension of certain superior services. These three subjects constitute about 80 per cent. of the total revenue of the Central Government. With these data before him, every one will admit that the "excluded sphere" in the present case is "appreciable".

Sir, these reservations have been described as "safeguards" although the Prime Minister does not "like the word". Of these safeguards the most important is the first item, namely, the Military charges, which is a notoriously extravagant item. The position has been made decidedly worse by providing that, in addition to the original supply (which is already extravagant), the Governor General will have power to secure what is called "emergency supply". We would not have grudged it, if, side by side with this provision, there were positive recommendations for reducing the expenditure, wherever possible, say in response to the disarmament movement in the world at large or to other similar cases.

In Finance, too, safeguards have been provided. The entire subject has been left extremely vague, and I fully share with Mr. Chetty his misgivings regarding this subject. The subject will, I hope, be fully discussed before you by Sir Cowasji Jehangir, who was a man on the spot and who took an active part in the discussion. He was one of the few delegates who called pointed attention of the Chairman of the Sub-Committee to the vagueness hanging over the subject, but they were sought to be satisfied by a verbal explanation by Lord Reading. But, Sir, as every one knows, verbal explanations have little or no value. The Governor General will have "power as would enable him to intervene if methods were being pursued which would in his opinion seriously prejudice the credit of India in the money markets of the world". Who knows that the Governor General will not intervene too often. Then again, "provision should be made requiring the Governor General's previous sanction to the introduction of a Bill to amend the Paper Currency or Coinage Acts". It is thus clear that even at the time of introducing the Bill for the much advocated Reserve Bank, the sanction of the Governor General will be a requisite condition. But, Sir, who can vouchsafe for the mentality of a person, however, illustrious he may be. There is no knowing whether the Governor General will always be a man of liberal views or that he will always be able to exercise his power in a liberal manner. He may be a Die-hard himself, or he may be under the influence of a Die-hard Cabinet. As an officer responsible to the Cabinet, he will have to shape his policy according to the dictates of the latter, and whenever Indian interest will clash with Imperial interest we know which way he will go. The mysterious circumstances under which the first Reserve Bank Bill had to be dropped by Sir Basil Blackett some years ago are still fresh in our memory.

Then again the position of the Finance Minister will be a peculiar one. As regards currency, he will be responsible to the Governor General, and in other matters he will be responsible to the Legislature. Thus he will have to serve two masters. One can easily imagine his position when the

Governor General, on his own initiative or under pressure from the British Cabinet, will come into conflict with the Legislature. He will have no other alternative but to resign. But, Sir, that course will lead to still graver issues. We have been told that the responsibility of the Ministers will be collective. So, if the Finance Minister is to go, he will go not alone, but will take away with him his colleagues also. Thus, such an arrangement can be anything but stable. It is bound to break down. In fact, it will be unworkable.

Sir, there are some other points which I do not wish to discuss now. But I cannot conclude my remarks without looking to the question from the religious standpoint which, I may say, is my humble mission here. While giving final shape to the recommendations of the Round Table Conference, those entrusted with the work should reiterate the Proclamation of Queen Victoria made in 1858. I am referring particularly to the portion relating to religious non-interference. The portion runs as follows :

"We do strictly charge and enjoin all those who may be in authority under Us that they abstain from all interference with the religious belief or worship of any of Our subjects on pain of Our highest displeasure."

As an insurance against violation of that Proclamation, I would, with Dr. Ambedkar, "call attention to the necessity of including constitutional sanctions for the enforcement of the fundamental rights, including a right of redress when they are violated". Sir, the Government of India Act of 1919 provides that a Bill affecting religion or religious rites may be introduced with the sanction of the Governor General, and the same thing has been repeated in the Round Table Recommendations. Sir, I would regard this as a transgression against the hallowed Proclamation. I would insist that no such sanction can be or should be given. The granting of such a sanction has of late led to matters which may revolutionise society, and has offended the feelings of the orthodox communities of the Hindus and Muhammadans alike. I hope the wrongs done will be set right, and the Government should strictly adhere to a policy of non-interference in religious matters. As the Recommendations are only provisional, I raise these points in the hope that they may be fully considered at the final discussion.

Mr. M. Maswood Ahmad (Patna and Chota Nagpur *cum* Orissa : Muhammadan): Sir, I do not want to make a long speech today, nor do I want to place before you my arguments in support of my own views. Much can be said one way or the other. All the arguments are known to every one of us. If after listening to all the speeches, and after knowing all arguments, one has not yet been satisfied, I do not think he can be satisfied for ever.

Sir, I want to place some facts before the House, some of them to remind the Treasury Benches and some to the Non-Muslim Members of this House.

First of all, I want to make it clear that what I say will not be on behalf of the Independent Party of which I am a Whip, nor will I express my own views, but I shall express the views of the overwhelming majority of my constituency which I represent. I will not use diplomatic words nor do I want to show you any advocacy, but I will place before the House facts, and it will be a heart to heart talk.

[Mr. M. Maswood Ahmad.]

Secondly, Sir, I do not hesitate to say, without any fear of contradiction, that the attitude of the Government in selecting delegates, especially Muslim delegates, was not satisfactory. No doubt, amongst delegates, I find many leaders, many notable personalities, many men of reputation, many politicians; but may I ask were they our representatives? Were they representatives of Mussalmans? There is one and only one reply, "No". They were not representatives. They were nominees of the Government.

Sir, I am thankful to the delegates, thankful to their sense of duty, thankful to their national spirit, that they offered a unanimous front in fighting for the cause of the country, and in the end they tried their best for us.

Sir, they did what they could, and what they thought good, but there is not the least doubt that the Government ignored us, ignored our demands, and ignored our Associations, and last of all, I would say, ignored the Central Legislature, the real representatives of the taxpayers of the country.

If I look to the provinces, I do not find the names of Sir Muhammad Iqbal from the Punjab, Khan Abdul Ghaffar Khan from the North-West Frontier Province, Nawab Moidul Mulk, Sir Syed Ali Imam, Mr. Abdul Aziz, Bar.-at-Law, and Maulvi Muhammad Shafee Daoodi from Bihar and Orissa, and Sir Abdul Rahim from Bengal, Nawab Muhammad Ismail Khan and Maulana Hasrat Mohani of the United Provinces in the Round Table Conference. There are many others, but I do not mention them simply not to waste the time of the House.

The most peculiar feature of the delegation was that it contained also the Government officials—the Executive Councillors and others.

Thirdly, I want to compare the demands of the Muslims with the recommendations of the Round Table Conference and see how far they have been conceded by the other members of the delegation. The Mussalman's first demand was a federal form of Government, with complete autonomy and residuary powers vested in the federal units, the Federal Government having control only of such subjects of common interest as might be specifically entrusted to it by the constitution. The conclusion reached at the Round Table Conference is a federal form of government with reserved subjects and safeguards. No conclusion was reached as to residuary powers. It is contemplated that the functions of the Federal Government will extend beyond the range of federal subjects and will embrace those matters which are strictly those of British India alone. There is thus to be some differentiation as far as the functions and powers of the various units of the Federation are concerned. Sir, we are not satisfied with this. At the time of the framing of the Muslim demand there was no question of the States—the States where there is no law, where *begar* is still prevailing, where there is no democratic form of Government. Now, when they want to join the Federation, we should welcome them.

I want, Sir, that there should be two Chambers. There should be representatives of the Government of the Federation unit in one Chamber and the representatives of the people of the federating units in the other Chamber. There should be an autonomous democratic form of government in all the federating units, with residual powers vested in them. All the members of both the Chambers must have equal privileges. The

position of the federating units as regards the federalised central subjects should be equal. Distribution of seats amongst the federating units in both the Chambers should be on a population basis, with weightage where it is necessary.

The second demand of the Mussalmans was that no Bill, Resolution, motion or amendment regarding inter-communal matters should be moved, discussed or passed by any Legislature if a three-fourths majority of either the Hindu or Muslim community affected thereby in that Legislature opposed the introduction, discussion or passing of such Bill, Resolution, motion, or amendment, etc. The recommendation of the Round Table Conference is something like this. No legislation affecting the religion or religious rites of any community to be introduced without the previous sanction of the Governor. The Mussalmans are not satisfied with it. Ninety per cent. of the Muslims opposed the Sarda Act, but the Governor General gave his assent to it. Deputation after deputation waited on the Government but to no purpose. Nobody cared that the religious sentiments of the Mussalmans were touched to the very heart and that it was a direct attack on our religion. After this bad and dangerous example set by the Government and the majority community, we cannot trust the Governors. I seriously insist on our demand. I do not want anything less than that. I do not want to leave any safeguards and rights in the hands of Governors. I cannot allow them to play with our sentiment and religion. I do not want to go any more to their door to beg. I do not want to fall at their feet. I want everything in black and white that we are safe. I do not want any communal matter to be discussed in the Legislature if it is opposed by a majority of three-fourths of any community.

Sir, our third demand was the retention of separate electorates. The recommendation of the Round Table Conference was that failing an agreement, separate electorates with all their drawbacks and difficulties would have to be retained. Sir, the Muslim minority is a permanent minority and their percentage is very low, they do not want to be nominated by the majority. I want to make it quite clear that the Mussalmans at present do not want any form of joint electorate, whether with or without conditions; they want separate electorates even in local bodies. Any form of joint electorates Mussalmans do not want at present.

Our fourth demand was that the Mussalmans should have their due share in the central and provincial Cabinets

Sir Hari Singh Gour (Central Provinces Hindi Divisions: Non-Muhammadan): Sir, I rise to a point of order. I understood that the safeguards were reserved for future discussion. The Honourable Member is dealing with the safeguards, which have been specifically reserved for future consideration.

Mr. President: The question, purely as a point of order, cannot be upheld, because the motion before the House gives an opening to deal with everything that was discussed at the Round Table Conference. It is a question for each individual Honourable Member to consider what he should say.

Mr. S. C. Mitra: On a written speech there is difficulty.

Mr. M. Maswood Ahmad: Sir, about the fourth demand of Mussalmans the recommendation of the Round Table Conference is something like this, Muhammadans should be represented in the Federal as well as on the provincial executives. An obligation to secure such representation should be expressed in the Instrument of Instructions to the Governors. In our opinion it has not been happily worded, it has been drafted in a loose form. It may create trouble in future. We are not satisfied with the wording of the recommendation. Sir, the fifth demand of the Muslims was that the representation of Muslims in the various Legislatures and other self-governing bodies should be based on a plan whereby the Muslim majority in those provinces where they constitute a majority in population shall in no case be affected and their majority should not be reduced to a minority or even an equality. As regards representation in provinces where they are in a minority, they are to enjoy the present weightage and shall have the same representation that is enjoyed by them under the existing law. I am very sorry to say that even the question of weightage to Mussalmans in provinces where they are in a minority has not been decided. In provinces where our Hindu brethren are in a minority their question has been solved, and I find that in the North West Frontier Province three times the figure to which they are entitled on a population basis has been recommended. I ask all just men of this House and of the world, is it just and fair? The question of Hindu minority in one province is settled, but the question of the Moslem minority in other provinces has not been decided. What a good procedure has been adopted!

Now, Sir, the sixth demand was that Muslims should have one-third representation in the Central Legislature. The Mussalmans should get at least one-third of the total number of seats in both the Chambers. The seats of Mussalmans should be so fixed amongst the representatives of the States also that one-third should be reserved for them. This is our minimum demand. Some of us go further and say that no one community should preponderate over the remaining communities. What I find from the proceedings of the Round Table Conference is that no decision has been arrived at. I warn both the Benches that Mussalmans will not be satisfied with one-third seats amongst the representatives of British India. Mussalmans want one-third seats amongst the whole House.

Now comes the seventh demand, the question of separation of Sind. The recommendation of the Conference is that the principle of separation is accepted. An expert committee should be appointed to go into the financial condition of a separated Sind. If enquiry shows a deficit, the representatives of the province should be met before Sind is constituted into a separate province. I ask for what is this committee going to be held? The representatives of Sind have expressed their opinion and wishes; they are here. You may hear from them about these things. There is absolutely no need to appoint any committee. You have not asked for a committee for Burma. Why do you want to have a committee for the separation of Sind?

Now, comes the eighth demand, the question of the introduction of constitutional reforms in the North West Frontier Province and Baluchistan on such lines as may be adopted in other provinces of India. I do not find a single word about Baluchistan in the Round Table Conference Report. This question was not discussed, and after that how can I say that the delegates performed their duties satisfactorily? They did not

press our views there. About the North-West Frontier Province, my Honourable friend, Mr. Sadiq Hasan, has said much on that subject; and I do not want to touch on it again.

Now, comes the ninth demand, the question of the adequate share of the Muslims in the services. The recommendation of the Round Table Conference is that a fair and adequate share should be given to the various communities consistently with considerations of efficiency. If the meaning of fair and adequate share is the same what we find in the services under railways, that is one-third will be given to the minorities and of that one seat will be given to the Anglo-Indians, one to the Sikhs and one to the depressed classes and then one to the Muslims, then I cannot say that the Muslims will be satisfied with this recommendation. We want that our ratio in services, at least, should be the same ratio that would be our ratio in the Legislatures—provincial and central.

Now, comes our tenth demand, the question of adequate safeguard for protection and promotion of Muslim education, language, religion, personal law, charitable institutions, their due share in grants-in-aids, etc. At the Round Table Conference no conclusion was reached as to the method of safeguarding these matters.

Now, comes our eleventh demand, the question of the change of the constitution only with the concurrence of all the constituent States. About this also, there is no mention in the proceedings of the Round Table Conference. I can say that it is quite unsatisfactory, and the Mussalmans do not accept it. Rather, many Mussalmans think that if the question of their demand is not settled it may open the door for a civil war.

The Assembly then adjourned till Eleven of the Clock on Thursday, the 5th March, 1931.



LEGISLATIVE ASSEMBLY.

Thursday, 5th March, 1931.

The Assembly met in the Assembly Chamber of the Council House at Eleven of the Clock, Mr. President in the Chair.

MEMBERS SWORN:

Mr. Hormusji Peroshaw Mody, M.L.A. (Bombay Millowners' Association: Indian Commerce); and

Bhai Parmanand Devta Sarup, M.L.A. (Ambala Division: Non-Muhammadan).

QUESTIONS AND ANSWERS.

PROTECTION FOR THE CHEMICAL INDUSTRY.

792. *Mr. N. M. Dumasia: (a) Will Government be pleased to state whether the Dharamsi Morarji Chemical Company applied to the Government of India for protection of the chemical industry? If so, when?

(b) When was the Tariff Board asked by Government to report on the industry?

(c) Has the Tariff Board reported to Government? If so, when was the report submitted?

(d) What has the Government of India done with the report of the Tariff Board?

(e) Why has it not been released for publication and why have not Government taken any action on the report?

The Honourable Sir George Rainy: (a) Yes; early in 1925.

(b) On the 16th July, 1928.

(c) Yes in July, 1929.

(d) and (e). The Report raises difficult and complicated questions, different in character from those which have presented themselves in connection with the other Reports of the Tariff Board, and the study of these questions has necessarily taken up a considerable amount of time. The forecast which I gave on a previous occasion as to the probable date of publication proved to be altogether too sanguine, and I am reluctant therefore to commit myself to a definite date now. But special steps are being taken to expedite matters, and as soon as Government have arrived at their conclusions, the Report will be published.

Mr. N. M. Dumasia: How long will it take to submit the Report?

The Honourable Sir George Rainy: Will the Honourable Member kindly repeat his question?

Mr. N. M. Dumasia: How long will it take to submit, to issue the Report?

The Honourable Sir George Rainy: I am afraid I do not follow the word "submit" in that connection.

Mr. N. M. Dumasia: How long will it take to release the Report?

The Honourable Sir George Rainy: I have said in my answer to the question that I cannot give a definite date, but if towards the end of the session the Honourable Member will put down a "short notice" question, I think with your permission, Sir, I may be able by then to give him some definite information.

Mr. N. M. Dumasia: Thank you.

SAFEGUARDING OF THE INTERESTS OF THE SALT INDUSTRY

793. ***Mr. N. M. Dumasia:** Are Government aware of the low prices of salt prevailing in Calcutta? Do they know that these low rates have an extremely adverse effect on the Indian salt industry? If so, what steps do they propose to take to safeguard the interests of the salt industry? Have they received representations from commercial bodies in this matter and, if so, what are the suggestions made by them?

The Honourable Sir George Schuster: I would refer the Honourable Member to the statement that I made in this House on the whole subject on the 26th January.

PRICE-CUTTING BY THE SWEDISH MATCH SYNDICATE.

794. ***Mr. N. M. Dumasia:** Has the attention of Government been drawn to the complaints made by the Match Manufacturers' Association regarding price-cutting by the Swedish Syndicate? If so, what action do they propose to take to protect the interests of Indian match-manufacturing concerns?

The Honourable Sir George Rainy: Yes. On receipt of a communication from the Association, the Government of India instituted an enquiry. That enquiry is not yet complete, but they received a report a few days ago which is now under examination. They are not yet in a position to say what action they propose to take.

INDIAN TRADE COMMISSIONERS.

795. ***Mr. N. M. Dumasia:** (a) Will Government be pleased to say how far the scheme of appointing Indian Trade Commissioners at different places has advanced? When do they expect to complete their scheme of appointing six Indian Trade Commissioners?

(b) Is it a fact that they do not contemplate appointing such an Indian Trade Commissioner in France? Is it a fact that the trade of India with France occupies in Europe the third place?

The Honourable Sir George Rainy: An officer has been selected for the post of Indian Trade Commissioner at Hamburg and will assume charge of his office this year. Steps are also being taken to make a selection this year for the post of Indian Trade Commissioner at Milan through the

Public Service Commission, the selection for this post being made from persons not in the service of Government. Further progress with the scheme has been delayed by the existing financial stringency and Government are not in a position to say when the scheme will be completed.

(b) The sanctioned scheme does not include a post in France. It is true that Indian trade with France occupies the position indicated by the Honourable Member, but after a very careful survey of the ground by the High Commissioner and the Trade Commissioner in London, the Government of India decided that Hamburg and Milan were the best centres from which to start for Northern and Southern Europe, respectively.

Dewan Bahadur T. Rangachariar: May I ask whether, apart from the other duties of the Trade Commissioners, they will be asked to submit reports of the general condition of the Indians settled in those countries where our Trade Commissioners are sent?

The Honourable Sir George Rainy: I think I should have notice of that question, Sir, before I could answer it.

Mr. N. M. Dumasia: Will the Honourable Member be pleased to state when Trade Commissioners will be appointed for Durban and Alexandria?

The Honourable Sir George Rainy: I am afraid, Sir, that entirely depends upon the financial conditions.

Mr. H. P. Mody: May I know from the Honourable Member whether it was not understood, when it was arranged that a few Trade Commissioners should be appointed, that one should be at Alexandria and another at Hamburg or Milan. I understood from the Honourable Member that both the Commissioners are being appointed for Europe, but the understanding, so far as my recollection goes, was that one of the appointments was to be either in Durban or in Alexandria. Is that a fact?

The Honourable Sir George Rainy: My Honourable friend is perfectly correct. The original idea was that one should be appointed in the European group and one in the Indian Ocean group. The reason why the actual course of action was taken was this that earlier in the year, in accordance with a desire expressed by the Standing Finance Committee, we hoped to make three appointments this year, and the Public Service Commission were asked to recruit for the Milan appointment as the third. It was not till after that that the full effect of the financial stringency was realized, and it became impossible to proceed with the Alexandria appointment.

Mr. H. P. Mody: Will the Honourable Member consider the advisability of dropping the idea of appointing a Trade Commissioner at Milan and substitute one at Durban or Alexandria instead?

The Honourable Sir George Rainy: I am afraid the difficulty would be that the selection of a candidate for the Milan appointment necessarily involves the consideration of qualifications for that appointment, and for the candidate to be selected for Alexandria quite different qualifications would be required. I am afraid therefore that the course suggested is not practicable.

MISMATCHED CURRENCY NOTES.

796. ***Mr. N. M. Dumasia**: Has the attention of Government been drawn to the feeling in the commercial community, both Indian and European, that rules regarding refund in the case of mis-matched currency notes are not satisfactory and cause a good deal of hardship? If so, do they propose undertaking an immediate revision thereof?

The Honourable Sir George Schuster: Copies of communications received from different public bodies were laid on the table of the House in reply to Mr. S. C. Mitra's unstarred question No. 191 on the 23rd September, 1929. For the reasons given in the reply to part (b) of that question, the Government of India do not propose to revise the rules.

DEPRESSION IN TRADE ATTRIBUTED TO THE 1s. 6d. RATIO.

797. ***Mr. N. M. Dumasia**: Are Government aware that all the Indian Merchants' Chambers and other commercial bodies attribute to a large extent the present depression of trade in India to the ratio of the rupee?

The Honourable Sir George Schuster: With your permission, Sir, I shall answer questions 797 and 798 together.

Government are aware that such an opinion has been frequently expressed. Those who advance it do not seem to take account of the fact that the trade depression is world wide.

COMMERCIAL AND INDUSTRIAL DISCONTENT ATTRIBUTED TO THE 1s. 6d. RATIO.

†798. ***Mr. N. M. Dumasia**: Are Government aware that the present acute discontent prevailing in commercial and industrial circles in Bombay is attributed to the rupee ratio?

†799—800.

TRANSFER FROM GHAZIPUR TO LUCKNOW OF THE HEADQUARTERS OF THE COMMISSIONER OF INCOME-TAX, UNITED PROVINCES.

801. ***Rai Bahadur T. N. Bhargava**: Will Government be pleased to state:

- (a) if they are aware that the Headquarters of the Income-Tax Commissioner, United Provinces, is at Ghazipur, a town situated in a distant corner of the United Provinces;
- (b) if they are aware that Lucknow is the most central place in the United Provinces and is the Headquarters of the United Provinces Government;
- (c) if they have considered the advisability of shifting the Headquarters of the Income-Tax Commissioner to Lucknow; if so, when; and, if not, why not?

The Honourable Sir George Schuster: (a), (b) and (c). At present a considerable economy is effected by combining the appointments of Opium

†For answer to this question, see answer to question No. 797.

‡These questions were withdrawn by the questioner.

Agent and Commissioner of Income-tax, United Provinces. So long as that arrangement continues, it is essential that the Headquarters of the Commissioner of Income-tax should be at Ghazipur. It has of course been usual, however, for the Commissioner to tour throughout the provinces. Should the appointments of Opium Agent and Commissioner of Income-tax be permanently separated hereafter the Government will consider the Honourable Member's suggestion.

RECRUITMENT OF INDIAN ENGINEERING SERVICES.

802. ***Rai Bahadur T. N. Bhargava:** Will Government be pleased to state:

- (a) if it is a fact that last year eleven vacancies were announced in the all-India engineering services by open competition and six to be filled by nomination;
- (b) if all the vacancies have been filled up, and, if so, how;
- (c) if it is a fact that in the rules it is stated that only such candidates would be nominated who had qualified themselves at the examination by securing a certain percentage of marks;
- (d) if any person has been appointed who was not qualified, and, if so, why;
- (e) if it is a fact that the Government have on occasions increased the number of appointments by open competition if in any examination a candidate of a minority community has succeeded in the open competition;
- (f) if it is not a fact that last year in the Indian Civil Service examination it was originally announced that only seven persons would be taken by open competition, and that after the results were out and when a member of the minority community had succeeded, it was announced that eight persons would be taken instead of seven;
- (g) if it is a fact that at the last year's examination for the all-India Engineering Services one Anglo-Indian was successful in the open competition but that the number of vacancies was not increased; if so, why?

Mr. J. A. Shillidy: (a) Yes, excluding one vacancy, which was reserved for a Burman.

(b) Yes, eleven by competition and six by nomination.

(c) Yes.

(d) Of the six appointed by nomination, four had qualified at the examination and the other two were already in service as temporary engineers.

(e) Yes.

(f) Yes.

(g) Yes, in the Railway Engineering Service. The number of vacancies to be filled by competition was not increased, as the composition of this Service at the time did not justify such a course.

RECRUITMENT OF THE INDIAN ENGINEERING SERVICES..

803. ***Rai Bahadur T. N. Bhargava:** Will Government be pleased to state what is their policy in regard to the competitive examination and nomination for recruitment to the all-India engineering services?

Mr. J. A. Shillidy: The Honourable Member will be supplied with a copy of the rules regulating the recruitment to these services.

DEPUTATION OF SIR HENRY HOWARD TO ASSIST IN THE FINANCIAL SETTLEMENT BETWEEN BURMA AND INDIA.

804. ***U. Tun Aung:** (a) Has the attention of Government been drawn to the statement made as below by the Governor of Burma in his address to the Burma Legislative Council on the 12th February, 1931:

" We have been fortunate to secure the services of Sir Henry Howard to assist us in our negotiations with the Government of India as to the financial settlement with India "

(b) If so, will Government be pleased to state:

- (i) whether the services of the said Sir Henry Howard were secured by the Burma Government on its own motion or were placed at their disposal by the Government of India;
- (ii) whether such financial settlement will entail any expenditure and if so, how much and for how long;
- (iii) whether such settlement will proceed on the basis that Burma is to be separated from India; if so, what are the conditions attached to the separated Burma; and
- (iv) whether this settlement will in any manner prejudice the question of separation of Burma as may be hereafter determined by the people of Burma?

The Honourable Sir George Schuster: (a) Yes.

(b) (i) The services of Sir Henry Howard were secured through the Secretary of State at the request and on the motion of the Burma Government.

(ii) I am unable to say at present what the financial effects of a settlement would be if arrived at.

(iii) and (iv). A financial settlement will only be necessary as part of the general plan of separation, if that is finally accomplished. The work on which Sir Henry Howard is now engaged will not prejudice the issue in any way. As was stated by the Governor of Burma in the passage from his speech to which reference was made in paragraph (a) of this question, "The idea is that the two Governments should in consultation prepare an agreed statement of the case and that this statement should be submitted to some kind of arbitral body".

APPOINTMENTS IN THE GENERAL POST OFFICE, RANGOON.

805. ***U. Tun Aung:** (1) Will Government be pleased to state:

- (a) whether it is a fact that there existed three vacancies in the lowest Selection Grade of Rs. 160—10—250 in the Rangoon General Post Office cadre on the date of the issue of the

Director-General, Posts and Telegraphs' Special General Circular No. 16, dated the 18th August, 1930;

- (b) whether the orders contained in the Director-General, Posts and Telegraphs' Express Letter No. S. A.-252 (4), dated the 15th October, 1930, addressed to the Postmaster-General, Burma have been carried out in making promotions to the lowest Selection Grade posts in the Burma Circle?
- (c) whether it is a fact that one Mr. U. L. Ghosh, clerk, Rangoon General Post Office, was given the officiating appointment in the fifth vacancy in the Rangoon General Post Office in accordance with the Director-General, Posts and Telegraphs' orders referred to in part (b) above; and
- (d) whether Mr. U. L. Ghosh was subsequently reverted although there existed a fifth vacancy?

(2) If the reply to part (d) above is in the affirmative, will Government be pleased to state whether, with a view to remove any misunderstanding on the interpretation of the Director-General, Posts and Telegraphs' orders, they propose to issue clear instructions to the Postmaster-General, Burma Circle?

Mr. H. A. Sams: (1) and (2). Government have no information. If any individual considers that he has been adversely affected by the Postmaster-General's interpretation of the Director-General's order, it is open to him to represent the matter through the usual channels.

SECRETARIES AND JOINT SECRETARIES IN THE GOVERNMENT OF INDIA SECRETARIAT.

806. ***Mr. S. C. Mitra:** Will Government be pleased to lay on the table a statement giving the names of all Secretaries and Joint Secretaries in the Government of India and the tenure attached to their offices?

The Honourable Sir James Cribar: The names of the Secretaries and Joint Secretaries to the Government of India will be found in the Government of India Directory corrected to December 1930, a copy of which is available in the Library of the House. The tenure of these appointments is limited to three years, unless specially extended by the Government of India.

EXPENDITURE ON THE SOUTH INDIAN RAILWAY FOR RAISING THE RAILHEAD AT KALLAI.

807. ***Mr. K. P. Thampan:** (a) Has the attention of Government been drawn to an article entitled "What is wrong and where" at page 164 in its issue for August, 1930, of the *Indian Railway Magazine*?

(b) Is it a fact that the South Indian Railway stands committed to an expenditure of over Rs. 30,000 in connection with the raising of the rail-head at Kallai by acceding to the proposals of the Calicut Municipality?

(c) Is it intended to recover this amount from the Calicut Municipality?

Mr. A. A. L. Parsons: (a) Yes.

(b) and (c). I am making enquiries from the Railway Administration, and will communicate with the Honourable Member.

EXTENSIONS OF SERVICE IN THE RAILWAY DEPARTMENT.

808. ***Mr. K. P. Thampan:** Will Government be pleased to state:

- (a) whether there are any definite principles or rules governing the extension of services in the Railway Department; if so, what are they;
- (b) if it is a fact that Mr. Achuthan, the Station Master of Calicut, and Mr. Srinivasa Iyengar, the Station Master of Chingalpet, have been refused extensions;
- (c) how many extensions were given to Mr. Hill, the Station Master of Ootacamund, now retired;
- (d) how many extensions have already been given to Mr. Storer, the Station Master of Trichinopoly Junction, Mr. Parker, the Station Master of Erode and Mr. Merit, the Station Master of Egmore, and whether it is proposed to give them further extensions?

Mr. A. A. L. Parsons: (a) Rule 56 of the Fundamental Rules applies to railway services of Government.

(b) to (d). Government have no information.

RECRUITMENT TO THE OFFICE OF THE ACCOUNTANT GENERAL, CENTRAL REVENUES, AND THE PAY AND ACCOUNTS OFFICE, DELHI.

809. ***Mr. K. P. Thampan:** Will Government be pleased to state if it is a fact that in the offices of the Accountant General, Central Revenues, and Pay and Accounts Office, Delhi, a standing order has been issued excluding Madrasees and Bengalees from sitting for the examinations for the recruitment of clerks to those offices? If so, why?

The Honourable Sir George Schuster: The rules for the competitive examination for admission to the offices mentioned exclude all persons who are not *bona fide* residents of the United Provinces, the Punjab and Delhi. The attention of the Honourable Member is invited to the reply to part (b) of Mr. Bhuput Sing's question No. 620, a copy of which has been placed in the Library of the Legislative Assembly.

DUTY ON COPRA IMPORTED INTO CEYLON.

810. ***Mr. K. P. Thampan:** Will Government be pleased to state whether it is a fact that Government have received representations from the merchants of Ceylon for the abolition or reduction of duty on imported *copra* and other cocoanut produces; if so, do Government propose to take any action in the matter?

The Honourable Sir George Rainy: No. A representation was, however, received from the Government of Ceylon asking whether the Government of India would consider a reduction in the duty on cocoanut products. Government do not propose to take action of the kind suggested.

GRANT OF DISABILITY PENSIONS TO CERTAIN JAMADARS OF THE INDIAN MEDICAL DEPARTMENT.

811. *Khan Bahadur Haji Wajihuddin: (1) Will Government be pleased to state if they are aware that:

- (a) certain members of the Indian Medical Department who served in Waziristan in 1926, as Jamadars resigned after long services of no less than 19 years;
- (b) they could not discharge their duties in Waziristan on account of ill-health and bad climate of the country;
- (c) they had contracted disability (colitis) by serving in the Great War;
- (d) applications submitted by them for long leave due to them were not forwarded, for unknown reasons, to higher authority for sanction as required by Army Regulations;
- (e) their applications requesting to be examined by Medical Boards were not given any consideration leaving no alternative for them, under the circumstances, except resigning the service;
- (f) their subsequent applications for withdrawal of their resignations recommended by the Officer Commanding for the purpose of bringing them before a Medical Board and allowed by the Regulations were rejected by the Northern Command (for precedents see notifications published in the Gazette of India, Nos. 1752, 932, 311, 1087, 1665 of 1921, and 562 of 1922, and 931, 1451 of 1924, showing withdrawal of similar resignations tendered by members of the Department having subsequently been sanctioned by Government);
- (g) a civil and again a Military Board examined them subsequently at Peshawar and found them really suffering from the disease and recommended the grant of service and disability pensions earned by them; and
- (h) in spite of the fact mentioned in part (g) above they were deprived of the actual amount of service and disability pensions due to them under the Army Regulations?

(2) If the replies to the above questions be in the affirmative, will Government be pleased to state under what Army Regulations:

- (a) their applications for long leave due to them were not forwarded for sanction to higher authorities;
- (b) they were not examined by a Medical Board in Waziristan;
- (c) their applications for withdrawal of resignation recommended by the Officer Commanding were rejected by the Northern Command instead of submission for sanction to higher authorities as required by Army Regulations?

(3) Are Government aware that the treatment meted out to the old servants of Government in that Department has created a good deal of disappointment and dissatisfaction among the members and is considered by them to be far from justice reducing them to beggary in old age?

(4) Do Government propose to enquire into the cases?

Mr. G. M. Young: The information has been called for and will be supplied to the Honourable Member.

**APPOINTMENT OF MUSLIM FOREST OFFICERS IN THE HAZARA FOREST
SUB-CIRCLE.**

812. ***Khan Bahadur Haji Wajihuddin:** (a) With reference to the reply given by Government to question No. 454, asked on the 12th September, 1929, by Mr. Muhammad Ismail Khan, will Government be pleased to state if it is a fact that representations have been submitted to the Honourable Member of the Government of India in charge of the Education, Health and Lands Department last year relating to the monopoly of clerical and gazetted appointments by non-Muslims in the Hazara Forest Sub-Circle from time immemorial?

(b) If the reply to part (a) above be in the affirmative, will Government be pleased to state:

- (i) if a Muslim has been appointed to relieve the present non-Muslim Superintendent in the Direction Office,—an appointment which is alleged to have been monopolised for the last 30 years by the non-Muslims;
- (ii) how many Muslim Extra-Assistant Conservators have since been transferred to the Sub-Circle to relieve the non-Muslim officers, who are said to have held charge of several Divisions for a considerable number of years; and
- (iii) how many Muslim Forest Rangers and clerks have been transferred there to check the preponderance of the non-Muslim community in the Circle?

The Honourable Khan Bahadur Mian Sir Fazl-i-Husain: (a) Representations of the Muslim Association, Peshawar, on this subject were addressed to the Chief Conservator, and copies thereof were endorsed to the Member in charge of the Department of Education, Health and Lands. A letter was also received addressed to the Secretary in this Department; it was forwarded to the Local Administration for disposal.

(b) The Local Administration has been asked to furnish the information; it will be communicated to the Honourable Member in due course.

**APPOINTMENT OF MUSLIMS AS PROBATIONARY SUPERINTENDENTS OF POST
OFFICES.**

813. ***Khan Bahadur Haji Wajihuddin:** (a) Will Government be pleased to state if it is a fact that, since the advent of the British in the North West Frontier Province, no qualified Muslim resident of the country has so far been selected by the Department for the appointment of Probationary Superintendent of Post Offices in India?

(b) If the reply to part (a) above be in the affirmative, will Government please state why their claims to secure their proportion of the service have not so far been considered?

(c) Do Government propose to remove their long standing complaint in this respect by the selection of an adequate number of Muslims when vacancies occur in India in the Department in future?

Mr. J. A. Shillidy: (a) No, a Muslim from the North West Frontier Province was selected for such an appointment as recently as 1928.

(b) and (c). Do not arise.

REPAIRS TO A MOSQUE IN PESHAWAR.

814. *Khan Bahadur Haji Wajihuddin: (a) Are Government aware that:

- (i) there is an old shrine in the Cantonment of Peshawar, known as "Ziarat-i-Sayyed, Gul Hasan Sahib", to which is attached a tank and a mosque, the area of the plot being well defined in the survey plan of the Cantonment, prepared in 1866-67; and
- (ii) the Cantonment authority granted to the descendants of the saint, sanction to repair the floor of the mosque and the "Ziarat", but subsequently cancelled the permission for reasons unknown to the Muslim public there?

(b) If the replies to part (a) above be in the affirmative, are Government aware that the prohibition to repair the shrine, etc., has created ill-will among the ignorant Pathans of the country towards Government because the shrine is held in great reverence by the people of the country?

(c) Do Government propose to remove the impression by having the area demarcated by a member of the Military Engineering Service, according to the plan of 1866-67, and permission to repair the shrine and construct pucca floor for the mosque and tank granted as soon as possible?

Mr. G. M. Young: I am making enquiries and will let the Honourable Member know the result in due course.

APPOINTMENT OF MUSLIMS IN MILITARY ENGINEERING SERVICES.

815. *Khan Bahadur Haji Wajihuddin: (a) Will Government be pleased to lay on the table a statement showing the number of appointments held by Muslims and non-Muslims in the following grades in the Military Engineering Services in India by Commands:

- (1) Clerks.
- (2) Storekeepers.
- (3) Sub-overseers.
- (4) Electrical and Mechanical Superintendents, and
- (5) Sub-Divisional Officers (Civilian)?

(b) Will Government be pleased to state if orders have previously been issued to subordinate officers of the Department for securing adequate representation of Muslims in the services mentioned above? If so, will Government please include in the statement asked for in part (a) above the result achieved during 1929 and 1930?

(c) If no orders as mentioned in part (b) have been issued, why not?

Mr. G. M. Young: The information asked for in part (a) and the latter portion of part (b) of the Honourable Member's question is not available, and could only be obtained by detailed inquiry from every station in India in which there are detachments of the Military Engineer Services.

The answer to the first portion of part (b) is that instructions were issued to the Military Engineer Services, as to other Departments, in connexion with the representation of minority communities generally.

Part (c) does not arise.

**MEMORIAL FOR RE-EMPLOYMENT BY STOREKEEPERS IN THE MILITARY
ENGINEERING SERVICE AT WAZIRISTAN.**

816. *Khan Bahadur Haji Wajihuddin: (1) Will Government be pleased to state if it is a fact that:

- (a) certain Muslim storekeepers serving in the Military Engineering Services in Waziristan District were invalided from service by the Military Medical Board at Manzai, in July 1929, after rendering long services to Government;
- (b) subsequently they regained their health and the Medical Board, convened at Peshawar, composed of civil medical officers presided over by Chief Medical Officer, North West Frontier Province, declared them fit for further service;
- (c) they submitted to the authorities concerned the recommendation of the Board and made a request for re-employment, which was rejected without any reason being stated;
- (d) one Mr. Sardar Singh, Sub Overseer in the same Department was invalided at Risalpur (North West Frontier Province) in 1928 and was subsequently re-employed on production of a fitness certificate; and
- (e) under article 519 of the Civil Service Regulations (the regulations governing the storekeepers) there is no bar to the re-employment of officers who have regained their health?

(2) If the replies to parts (a) to (e) above are in the affirmative, do Government propose to consider their memorials for re-employment? If not, why not?

Mr. G. M. Young: The information has been called for and will be supplied to the Honourable Member.

**ARREST OF MR. VIRENDKA, A STUDENT OF THE FOREMAN CHRISTIAN
COLLEGE, LAHORE.**

817. { *Mr. S. C. Mitra: } (a) Is it a fact that Mr. Virendra, son
{ *Rai Sahib Harbilas Sarda: } of Mahashc Krishna of Lahore, a fourth year student, Foreman Chirstian College, has been arrested under Regulation III of 1818?

(b) Is it a fact that he is under 20 years of age?

(c) Is it a fact that while he was a student of the second year class he was arrested on December 17th, 1928, on a charge of complicity in the murder of Mr. Saunders, Assistant Superintendent of Police, Lahore, and was subsequently bailed out and discharged?

(d) Is it a fact that he was arrested again on the 24th December, 1929, in connection with the bomb outrage on the Viceroy's train at Delhi, that the procedure against him was under section 107, Criminal Procedure Code, that he was subsequently released on bail and eventually the case against him was withdrawn?

(e) Is it a fact that he was arrested for a third time on the 29th December, 1930, on a charge of conspiracy to murder the Governor of the Punjab, released on bail on the 12th January, and discharged by the Court on the 30th January, 1931?

(f) Will Government state the reason why Mr. Virendra has been arrested under Regulation III of 1818?

(g) What is the allowance proposed to be given to him?

(h) Where is it proposed to keep him and for how long?

(i) Did Government lay the case before the law officers of the Crown and obtain their advice as to the advisability of putting the case of Mr. Virendra in Court?

(j) Is it a fact that the law officers of the Crown were of the opinion that there was no case against Mr. Virendra and Regulation III of 1818 has consequently been applied?

(k) Are Government aware that there is great uneasiness in the public mind on account of the use of Regulation III of 1818 in the case of Mr. Virendra in ordinary times?

(l) Do Government propose to reconsider the matter at an early date and release Mr. Virendra? If so, when?

The Honourable Sir James Crerar: (a), (b), (c) and (e). Yes.

(d) He was arrested on the 24th December, 1929, for assaulting a police officer in the Congress Camp and a few days later proceedings under section 107, Criminal Procedure Code, were taken against him.

(f) I would refer the Honourable Member to the reply I gave to parts (b) and (h) of Mr. Jagan Nath Aggarwal's question No. 783 on the 2nd March, 1931.

(g) On the recommendation of the Local Government, orders are under issue sanctioning a diet allowance of Rs. 1-6-0 per diem, a monthly allowance of Rs. 32 and a lump sum of Rs. 60 to meet initial expenditure on admission.

(h) At present in the Lahore Central Jail.

(i), (j) and (l). No, but, as already stated, the case will be placed for scrutiny before two Sessions Judges.

(k) I am informed that the Punjab Legislative Council recently passed a unanimous resolution recommending the adoption of measures against terrorist activities.

Mr. Gaya Prasad Singh: When was Mr. Virendra arrested under Regulation III of 1818?

The Honourable Sir James Crerar: I think, Sir, it was on the 10th of February.

Mr. Jagan Nath Aggarwal: Arising out of this answer, may I point out to the Honourable Member that it is highly undesirable to have an *ex-parte* inquiry. Will the Government consider the propriety of giving him an opportunity to produce his defence?

The Honourable Sir James Crerar: I am afraid I cannot add to the information that I have already given to the Honourable Member on this point.

Mr. Gaya Prasad Singh: Was this man called upon to offer any explanation or defence before his case was placed before the two Sessions Judges?

The Honourable Sir James Crerar: No, Sir.

Mr. Gaya Prasad Singh: Will he be called upon to give any explanation or defence now?

The Honourable Sir James Orerar: Yes, Sir.

RECRUITMENT OF MINISTERIAL ESTABLISHMENT IN THE FOREIGN AND POLITICAL DEPARTMENT.

818. ***Mr. B. N. Misra:** (a) Is it a fact that all questions relating to the ministerial establishment of the Foreign and Political Department are dealt with by the Under Secretary of that Department?

(b) Is it a fact that similar questions in the other Departments of the Government of India are dealt with by Deputy Secretaries of those Departments?

(c) Is it a fact that the Foreign and Political Department of the Government of India has the largest ministerial establishment of the Government of India Departments?

(d) Is there any reason why this distinction has been made and the Foreign and Political Department observes a principle different from that observed in the other Departments in regard to matters relating to ministerial establishment?

(e) Is it a fact that, owing to the Under Secretary in the Foreign and Political Department being normally a junior and inexperienced official, his work mostly is done according to direction from the Assistant Secretary?

(f) Are Government aware that this practice is the cause of discontent in the Foreign and Political Department?

Mr. J. G. Achsion: (a) Yes. But the Under Secretary has not the final authority in more important cases such as confirmation of probationers, and the most important questions, such as promotions to the Superintendent's grade, dismissals, reduction or stoppage of increment, are decided by the two Secretaries jointly.

(b) Yes, this is the usual practice. But, for the reasons given in answer to (d), this arrangement would not be feasible in the Foreign and Political Department.

(c) Yes.

(d) Yes, to relieve the Deputy Secretaries, who are already over-burdened with important work, of routine work and petty matters relating to establishment; and also to provide a link between the Foreign and Political sides of the Department. It should be pointed out that the Under Secretary is himself usually an officer of many years responsible administrative experience.

(e) and (f). No, Sir.

APPOINTMENT OF STENOGRAPHERS IN THE FOREIGN AND POLITICAL DEPARTMENT.

819. ***Mr. B. N. Misra:** Will Government be pleased to state whether it is a fact that the Foreign and Political Department of the Government of India has employed some stenographers who have not passed the Public Service Commission examination? If the answer be in the affirmative, are Government aware that there are over half-a-dozen candidates on the list of the Public Service Commission who have passed the shorthand test of

the Commission? Are they entitled to be employed in preference to those who have not passed the test of the Commission?

Mr. J. G. Acheson: Yes, Sir. Two temporary vacancies of stenographers have been filled by men who have not passed the examination. In one case it was desired to adjust the proportion of Muslim to Hindu stenographers, and since there were no Muslims available who had passed the examination, the present incumbent was selected on the recommendation of the Public Service Commission. The second vacancy was originally for two months only, and it was not possible to find a fully qualified candidate for such a short period. This appointment will shortly expire.

UNSTARRED QUESTIONS AND ANSWERS.

QUANTITY OF COPRA, ETC., EXPORTED FROM INDIA.

246. Mr. K. P. Thampan: Will Government be pleased to state how much (quantity) of (a) copra, (b) coir, (c) cocoanut oil, and (d) cocoanut poonac was exported from India during the last five years?

The Honourable Sir George Rainy: The Honourable Member is referred to the Annual Statement of the Sea-Borne Trade of British India, a copy of which is in the Library.

EMPLOYEES OF THE AGRICULTURAL DEPARTMENT IN THE BOMBAY PRESIDENCY.

247. Mr. N. R. Gunjal: Will Government be pleased to place on the table a statement showing the gentlemen, with their names, rank, pay and residence, of the Bombay Presidency, who are employed in the Agricultural Department of India?

The Honourable Khan Bahadur Mian Sir Fazl-i-Husain: A statement is laid on the table and I shall be grateful if the Honourable Member after perusing it tells me what to note in it in case something needs to be noted.

List of natives of Bombay Presidency employed at the Imperial Institute of Agricultural Research, Pusa, and its outstations excluding menials.

Serial No.	Name.	Rank.	Pay.	Residence.	Remarks.
<i>Pusa Institute.</i>					
1	Mr. N. V. Joshi	First Assistant to the Imperial Agricultural Bacteriologist.	Rs. 600 in the grade of Rs. 300—800.	Ratnagiri District.	
2	Dr. S. V. Desai	Assistant to the Imperial Agricultural Bacteriologist.	Rs. 280 in the grade of Rs. 200—300.	District Panchmahals.	

Serial No.	Name.	Rank.	Pay.	Residence.	Remarks.
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Pusa Institute—contd.

3	Rao Sahib Kasanji D. Naik.	Superintendent, Office of the Sugar Bureau.	Rs. 420 . .	Surat District.	
4	Mr. B. M. Amin .	Assistant to the Imperial Agricultural Chemist.	Rs. 300 (Grade Rs. 100—300).	Kaira District.	
5	Mr. T. C. Desai .	Assistant Superintendent, Director's Office.	Rs. 300 (Grade Rs. 250—350).	Surat District.	
6	Mr. S. R. Jogdeo .	Clerk, Director's Office	Rs. 105 (Grade Rs. 40—125.)	Poona.	
7	Mr. V. G. Lele .	Artist . . .	Rs. 85 (Grade Rs. 75—100.)	Nasik District.	
8	Mr. K. F. Khoshwala	Assistant to the Imperial Mycologist.	Rs. 220 (Grade Rs. 100—300).		
9	Mr. R. B. Deshpande	Officiating Assistant to the Imperial Eco. Botanist.	Rs. 120 (Grade Rs. 100—300).	Belgaum.	Temporary.
10	Mr. M. N. Mehta .	Recorder, Sugar Bureau.	Rs. 130 (Grade Rs. 100—200) + C. L. A. Rs. 9-12-0.	Panchmahals District.	do.

Anand Creamery.

11	Mr. Paul . .	Engineer . .	Rs. 75 . .	Anand, Kaira District.	Temporary.
12	Mr. Chhottabhai .	Cashier . .	Rs. 70 . .	Kaira District.	do.
13	Mr. Kalyaniwala .	Supervisor . .	Rs. 60 . .	Bombay.	do.
14	Mr. Barot . .	Storekeeper . .	Rs. 50 . .	Kaira District.	do.
15	Chaturana . .	Carpenter . .	Rs. 40 . .	Kaira District.	do.

Bangalore Institute of Animal Husbandry and Dairying.

16	Mr. K. K. Desai .	Supervisor . .	Rs. 105 . .	Baroda . .	1
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Imperial Dairy Expert.

17	Mr. Zal Kothawala.	Assistant to the Imperial Dairy Expert.	Rs. 800 (Grade Rs. 350—50—1,250).	Ahmedabad	
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INDIAN STATES VISITED BY THE VICEROY.

248. • **Mr. N. R. Gunjal:** Will Government be pleased to state:

- (a) the names of Indian States visited by His Excellency the Viceroy of India, during the last five years;
- (b) the expenses incurred by Government in that connection?

Mr. J. G., Acheson: (a) A list of Indian States visited by His Excellency the Viceroy is attached.

(b) The only expenditure incurred by Government is that of the haulage of the Viceregal special train. Its exact amount would be difficult to ascertain, as tours in Indian States are often dovetailed in with tours in British India.

List of Indian States visited by His Excellency the Viceroy.

- | | | |
|------|-------|--|
| 1926 | . . . | Chail (Patiala).
Bahawalpur. |
| 1927 | . . . | Benares.
Rampur.
Bikaner.
Bhopal.
Jammu and Kashmir.
Mysore.
Mandi. (For lunch during march through Kulu Valley.)
Cutch.
Jamnagar.
Junagarh.
Porbander
Palanpur.
Kapurthala.
Baria. |
| 1928 | . . . | Rewa.
Jodhpur.
Udaipur.
Dholpur.
Patiala.
Jubbal. (Made arrangements for hill trip from Dehra Dun to Shimla.)
Indore. (Stayed at Residency-)
Dhar.
Rutlam.
Jaora.
Jaipur.
Sirmoor. (Nahan.) |
| 1929 | . . . | Alwar.
Kota.
Bundi.
Gwalior.
Sangli.
Kohapur.
Karapur. (Mysore.)
Cochin.
Travancore.
Hyderabad. |

1930

- . Baroda.
- Malerkotla.
- Bharatpur. (Stayed at Agency.)
- Govindpur. (Datia.)
- Orchha.
- Panna. (For lunch during drive from Nowgong to Saugor.)
- Chhatarpur } His Excellency only met these Chiefs on the
- Bijawar } drive from Nowgong to Saugor.

1931

- . Manipur.

LOCATION OF JAILS IN INDIA.

249. **Mr. N. R. Gunjal:** Will Government be pleased to place on the table a statement showing the names and places of the various jails in India?

The Honourable Sir James Orerar: The information can be found in the Annual Jail Administration Reports of the various provinces, which are published and are available in the Imperial Secretariat Library.

FINES RECOVERED FROM POLITICAL CONVICTS.

250. **Mr. N. R. Gunjal:** Will Government be pleased to state separately the amount of fines recovered by them from political convicts, under various Ordinances in each district in India?

The Honourable Sir James Orerar: I have no information and regret that I am unable to undertake to collect it.

EMPLOYEES OF VARIOUS DEPARTMENTS IN THE BOMBAY PRESIDENCY.

251. **Mr. N. R. Gunjal:** Will Government be pleased to place on the table a statement showing the names, rank, pay and residences of gentlemen of Bombay Presidency, employed in the following Departments of the Government of India:

- (i) Military.
- (ii) Finance.
- (iii) Public Works.
- (iv) Posts and Telegraphs.
- (v) Judicial.
- (vi) Medical.
- (vii) Educational.
- (viii) Engineering.
- (ix) Railways.
- (x) Revenue?

The Honourable Sir James Orerar: The information cannot be collected without an immense amount of labour which would be wholly disproportionate to the results. I regret that I am unable to undertake to collect it.

. APPOINTMENT OF THE COMMITTEE ON PETITIONS.

Mr. President: Under Standing Order 80 (1) of the Legislative Assembly Standing Orders I have to appoint a Committee on Petitions. I have therefore to announce that the following Honourable Members will form the Committee:

Sir Hugh Cocke,
Sir Abdur Rahim,
Raja Bahadur G. Krishnamachariar, and
Mian Muhammad Shah Nawaz.

According to the provisions of the Standing Order, the Deputy President, Mr. R. K. Shanmukham Chetty, will be the Chairman of the Committee.

ELECTION OF MEMBERS TO THE CENTRAL ADVISORY COUNCIL FOR RAILWAYS.

Mr. President: I have to inform the House that the following Members have been elected to serve on the Central Advisory Council for Railways, namely:

1. Mr. N. N. Anklesaria.
 2. Mr. E. Studd.
 3. Mr. Nabakumar Sing Dudhoria.
 4. Sardar G. N. Mujumdar.
 5. Lala Rameshwar Prasad Bagla.
 6. Rai Bahadur Pandit T. N. Bhargava.
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ELECTION OF MEMBERS TO THE STANDING COMMITTEE ON EMIGRATION.

Mr. President: I have to inform the House that the following Members have been elected to sit on the Standing Committee on Emigration, namely:

1. Mr. Muhammad Azhar Ali.
2. Rao Bahadur M. C. Rajah.
3. Mr. Arthur Moore.
4. Mr. K. P. Thampan.
5. Rao Bahadur S. R. Pandit.
6. Mr. C. C. Biswas.
7. Mr. A. Das.
8. Mr. C. S. Ranga Iyer.

THE GENERAL BUDGET—GENERAL DISCUSSION.

Mr. President: The House will now proceed with the general discussion of the Budget. I propose to impose a time limit of 20 minutes for each speaker.

Khan Bahadur Haji Wajihuddin (Cities of the United Provinces; Muhammadan Urban): Sir, I am very thankful to my Honourable and esteemed friend Sir George Schuster for the quite straightforward manner in which he presented the General Budget for the ensuing year on the evening of Saturday last, which I regret exhibits some most disappointing features. I quite agree with my Honourable friend's remarks that India is not alone in this economic adversity. It is a condition through which the whole world is passing, but may I ask my Honourable friend the Finance Minister, to what extent he, at this critical juncture, is justified in imposing fresh exorbitant taxation, not only on necessities of life but mostly on those which are used largely by the poor people of India?

It is an admitted fact, Sir, that as a result of the fall in prices and the trade depression, practically all the classes in almost all the countries of the world are suffering from a lack of purchasing power!

India is said to be going through the worst time now! She has felt the severity of the fall in the case of what she has to sell, but has not obtained a corresponding advantage of the fall in prices of what she has to buy. Under the circumstances, I shall be failing in my duty if I, being an elected Member of this House and a practical businessman, do not warn the Government that so far as the proposed increase in taxation on real necessities of life is concerned, Government is going the wrong way. Sir, I cannot for a moment agree to any increase of duty on silver, kerosene, sugar, betel nuts, and spices which is bound to affect considerably the poor Indians, the majority of whom are starving day-by-day. All these enhancements are considered absolutely unjust and inexpedient throughout the country. At the same time, I cannot hesitate to welcome the increased duty on all sorts of intoxicating liquors for the simple reason that these are used by the well-to-do people who can easily afford to pay not only the increase proposed but a certain per cent. more. I also declare my strong disapproval of the increased rates of income-tax, especially an increase of four pias on the lowest amount of Rs. 2,000 which will be felt very much throughout India. Sir, the people of average income are in a very critical condition now-a-days and they are really in need of help—I therefore suggest that, if the old rate of income-tax is not possible to be maintained, people below the income of Rs. 5,000 annually be exempted altogether and the minimum should be raised from Rs. 2,000 to Rs. 5,000, especially for at least a year as the trade and industry are both passing through an unprecedented crisis. Increase of postage on parcels is also a most undesirable item in the Budget. It will not help to increase revenue, but will actually discourage the post parcel system itself and the businessmen generally will prefer to get their requirements by other cheap ways, which will further decrease postal revenues.

Sir, after my opposing almost all the increases proposed by the Government, the question naturally arises, how to meet the critical situation? I therefore take this opportunity to point out plainly in one word that I am dead against the principle to increase taxes and duties with a view to meeting increased expenditure. Sir, my motto just in accordance with the well known Hindustani proverb is thus: "*Jitni chadar hoe otney paer phailao*", which means "We should cut our coat according to our

cloth", and we should therefore suit our expenditure to our revenues. Sir every businessman, when faced with a crisis of this kind, would first of all cut down his working expenses forthwith, especially when there is already a general complaint that taxation in India has gone to a point which the people of the country are scarcely able to bear. May I be permitted to ask my Honourable friend the Finance Member how far he was justified, in face of a clear policy of total prohibition of liquor adopted by the Legislative Assembly some five years ago, to spend a sum of fourteen thousand rupees for catering for the guests, followed by liquors, assembled in the Fort only last month. Was it not advisable to save a huge sum of two lakhs and sixty-two thousand rupees from unnecessary expenditure on the recent functions in connection with the inauguration of New Delhi? I am sure many similar items would have been saved during the year if a sincere effort was made in this direction, and can easily be saved in the future if the Honourable the Finance Member and the Retrenchment Committee proposed to be constituted will take the trouble to go into the question carefully. If I remember aright, it was emphasised in the past that expenditure could not be cut down, but I am glad to say that experience shows that to a certain extent it was practically cut down and it is suggested that it would be cut down further at the hands of Legislature.

Sir, I wholeheartedly welcome the proposal to have a Retrenchment Committee to be constituted with five non-official Members of this House to be elected by the Assembly and two officials to be nominated by His Excellency the Governor General, but, Sir, with your kind permission may I ask my Honourable friend Sir George Schuster to consider the feasibility of a minor amendment in his original proposal, namely, for the words "Non-official Members" the words "Elected Members" be substituted, which I hope will create a better impression upon my colleagues here, and will help to improve the confidence in the good intentions of the Government.

As regards military expenditure, I am afraid I am neither a military man, nor have I had any experience of that kind, but, Sir, my representative capacity in the House compels me to ask for a substantial reduction in one way or the other. If the Government will take into confidence some of the Indian leaders of various communities—who are keenly interested in self-government, and have in the past made great sacrifices in picketing liquor and foreign cloth shops, resulting in extraordinary large expenses to the Exchequer, and, Sir, if they are prepared to offer their services honorarily as officers for the defence of the country, and a number of their followers are recruited under their command, I think, on the one hand it will be a source of decrease in both civil and military expenditure, and on the other, it will bring the country a step nearer to the right goal for which the Round Table Conferences and peace talks are going on.

Moreover, Sir, by giving the people of India an opportunity for the responsible work of self-defence, it will be proved how far they are deserving of further reforms.

I think there can be no better chance and no wiser step than to test the mettle of the people and their demands! Thousands of Magistrates and Munsifs in every province of India are discharging both judicial and civil responsible duties quite honorarily to the entire satisfaction of the Government, resulting in a considerable saving in the civil expenditure,

[Khan Bahadur Haji Wajihuddin.]
then why not start, only as a trial, on the same line a new scheme to reduce military expenditure?

Sir, I quite admit the vital importance of the question of the defence of India, but I think, Sir, it is further more important to guard a country against internal dangers than against external ones. Let me say quite frankly that if the people of the country are free from communal troubles, free from overburdening taxes, completely satisfied and prosperous, if they are loyal to the rulers in the true sense and have full confidence in the Government and if it is known to the world that they are such, I am sure no foreign power will ever attempt to attack India. Foreign powers, of course, can only take courage to attack the country when it is seething with communal troubles, civil disobedience movements, restlessness, demonstrations and agitations. As India has just passed through these unpleasant stages, Sir, it is I think high time to produce such an atmosphere that the people will be fully satisfied and so be ready to help their own country and the Crown against any external or internal dangers. As has already been experienced during the Great War, in the shape of both men and money, India provided not only, in but outside India. If the reasonable and just demands of all communities of India are fully responded to and at the same time the high expenditure is substantially decreased, I hope no one will deny that the great need for unbearable taxation will automatically disappear and the country will, I hope, Sir, resume its pre-war normal condition to the entire satisfaction and prosperity of all shades of opinion.

Before concluding my remarks, Sir, I think it my duty to say most emphatically that if the Government find no alternative but to increase or maintain the revenues as proposed in the Budget under discussion, then I would very gladly welcome a double or trebled duty on liquors and other intoxicants, which will, I hope, be useful, in one way or the other. It will either swell the revenue from only those who will gladly bear to pay, after knowing very well that they are losing both their health and wealth, which will, no doubt, leave a margin for decrease on taxation in other commodities, or it will help to reduce the use of intoxicants themselves, which is most highly desirable from every standpoint.

In conclusion I earnestly appeal to my Honourable friend the Finance Member to give up the idea of imposing fresh enhanced taxation upon the poverty stricken people of the country and to make a supreme effort to retrench expenditure to the greatest extent, and in the meantime consider the advisability of asking for leave to have the Finance Bill withdrawn.

— **Mr. Muhammad Yamin Khan** (Agra Division: Muhammadan Rural):
Sir, no one can help congratulating the Honourable the Finance Member for the lucid speech which he made the other day in presenting the Budget. We congratulate him for putting his case so ably and laying all his cards on the table. He has tried to take the House into his confidence and we are ready to act and co-operate with him in meeting the difficulties which are in his way. We cannot shirk our responsibility by mere criticism, but we have to face the situation when we have been taken into confidence. This is the time when one can lay before Government all the grievances of the country, and this is the only occasion when each Member is allowed to speak on all points with which he is concerned, and I will therefore lay before Government what the demands

of our constituencies are and which have been ignored. I am concerned mostly with the agricultural classes and the zemindars. I will first of all tell Government what the feelings of the people in the country are about the administration as it is carried on nowadays. We had a visitation of locusts lately and the crops have been absolutely destroyed in many districts. The people are impoverished. As regards the economic industries, the cheapness of grain at the market has been telling a great deal on the people's finances and they can hardly make two ends meet. The average tenant and the zemindars find it very difficult nowadays to meet even ordinary requirements and are absolutely unable to pay any further taxes which are now demanded by Government. I will show what losses we have sustained in the country and what efforts Government have made to meet those difficulties. Very little money has been spent and is proposed to be spent towards research in agriculture, although I must at the same time recognise and appreciate the effort of the Finance Member for placing a certain amount of money at the disposal of agricultural research. But the money which is being placed at their disposal is far too short of what is demanded under the circumstances which are prevalent nowadays. Besides the locust visitation in this part of the country, we had another great evil, and that was in the shape of an insect, a beetle, which came and destroyed the whole sugar-cane crop. In the sugar-cane crop we have not got even two annas in the rupee. The sugar produced by the little cane which is left in the fields is not worth even two annas in the rupee. This has brought a great deal of loss to the wealth of India, and Government have been sleeping over this altogether without spending a single penny in finding out ways and methods to destroy this beetle, which is destroying the whole sugar-cane crop. The efforts of Government ought to be directed now towards means of saving the productive wealth of India. How can we compete with the foreign markets? If a penny or a few pennies are enhanced on the import duty of sugar, how would it help us when we cannot produce sufficient sugar to meet our own requirements? If sugar comes from outside, it is not on account of its cheapness nor will it be stopped by protective duties. What we require is that we may be able to produce sugar at a cheaper rate and in larger quantities. The money which has been sunk in the sugar industry and in the sugar-cane crop cannot be realised even now. The tenants who sow sugar-cane crops in the fields used to get about 200 or 300 rupees per *cutcha bigha* on the fields which are irrigated by the Jumna canals, but now they cannot get even 20 or 25 rupees per *cutcha bigha*. That is on account of a certain insect getting in. I do not know very much about the other provinces, but about the United Provinces I can safely say that this insect is from Meerut Division, that is, from Saharanpur up to Pilibhit in the Rohilkund Division, taking up about half the area of the United Provinces; and no effort has been made to save all this wealth, which has been lost during the past few months. I would like a great amount of money to be spent to meet this evil.

Then, Sir, another reason why we have a greater cost of production in India and why we cannot compete with foreign markets is because of the policy which the Government have been pursuing lately in the matter of interest on money. It is an open secret and I can take any of my Honourable friends on the Treasury Benches and show him what is going on in the villages, and I can convince him that a tenant has to pay about

[Mr. Muhammad Yamin Khan.]

40 per cent. interest on the money which he borrows. This means that 40 per cent. is added to the cost of production. If a man has to borrow one year and cannot pay the next year, then he has to pay double this amount, and the capital which he has borrowed becomes doubled and he has ultimately to pay to such an extent that the man has to leave his fields and run away, leaving the village. The rate of interest, and the way in which money-lending is carried on and the poor tenants cheated in the villages by forgers and unscrupulous money-lenders have not been checked by the Government up to this time. It was in 1922 that I introduced a Bill in the Legislative Assembly to meet this evil. That Bill was opposed by the Government on the recommendation of the Bombay Government. Of course I do not know what circumstances prevail in Bombay; but what we are concerned with is what is happening all over India. Again there was an effort made to meet this evil systematically in this House and the other House, and every time I found that it was only by the Government vote we were losing this and similar Bills in the Legislature. It is not the Indians and the elected Members who do not feel this necessity, but it is the Government who have been opposing us all along; and I warn the Government that they are losing the sympathy of these poor people who are suffering on account of this policy, a great deal. When their representatives come and speak on their behalf and the Government turn down these beneficial measures which are proposed here for their uplift, the whole reaction comes and takes the shape of non-co-operation against the Government. It is not as it is misunderstood now, and that the forces were getting against the Government on account of a certain policy of the Government; but non-co-operation had succeeded on account of the economic pressure on the people, which they could not withstand; and in the villages that is mostly due to the fact that the whole money which a tenant gets and the whole crop of a tenant which he produces is taken away by the money-lender. The zemindar never is exorbitant in his demands from his tenants. That is wrongly misunderstood. Those zemindars who do the business of money-lenders as well as their zemindari, their demands mostly are in the shape of lending money to their tenants. What is done? All the crop which is produced goes away into the house of the money-lender and he, after taking all his demands, returns and gives a few rupees for the payment of the zemindar and a few rupees for the upkeep of the tenant. This is telling very badly on the people, and unless the Government come forward and bring in a measure which can stop this kind of money-lending at high rates of interest, the tenantry can never compete with the foreign market, and that will act very adversely on the production of the country.

Sir, I am afraid that I still think the demands of the Military Budget are too high for this country. Although a reduction has been made by the military authorities, on which I must congratulate them in having come forward themselves and made this reduction, still it is not the effort which they have made that matters, but it is the policy of the Military Department that has to be changed and which can bring about a substantial reduction in the expenditure of the Army; and we must make it sooner or later; then why not sooner rather than later? It is the policy which has to be changed; the frivolous expenditure which is made on certain matters military must be stopped, and only then the figure

can be brought down substantially. I am afraid I cannot agree or lend my support to the remarks of my friend, Haji Wajihuddin, who thought an honorary army could be created like the Honorary Magistrates. (Laughter.) The analogy on the face of it is bad. We all know what the Honorary Magistrates are, a body of demoralised people; we do not want a demoralised Army at the same time. If we can afford to have a demoralised Magistracy, we cannot afford to have a demoralised Army to guard our frontier. I would like to see the Honorary Magistrates go into the Army and fight against the stalwarts in the province of my friend, Sir Abdul Qaiyum, to meet them in the field, and they will know what the worth of an army is.

We have got several such people, and I think it is time that the military authorities should stop the ridicule which they have been bringing on the Army by creating these honorary Lieutenants and Captains in lieu of conferring other titles. There are many of these people who have never fired a gun shot or a cartridge, and they are called Captains, simply because an honour was sought to be given to them, and they were made honorary Lieutenants and Captains. I deprecate this kind of distinction being given to these people who do not know the art of warfare at all; and I say ridicule will be caused by what is suggested by my friend, Khan Bahadur Haji Wajihuddin, if the military do not stop it in future.

There has been another grievance of the Indians with regard to the Indianisation of the Army. I think, Sir, there will be another occasion when I will get an opportunity to speak on the subject at length, but I cannot help making a few remarks on this aspect of the question at the present moment. This demand has been a long-standing one. It was I in the year 1923 who was responsible for moving a Resolution that the Indianisation of the Army should proceed at once and that all new vacancies in the Indian regiments for the King's Commission should be filled by Indians. But, Sir, this Resolution was moved on the 9th February. What happened then? On the 17th February, to which date the debate on my Resolution was postponed, I found that the late Lord Rawlinson came up with his 8 units scheme and put it forward before the House, and the whole House, which was going to vote with me on that day, was taken by such surprise that I got only 16 votes for my Resolution. The House was enchanted by the 8 units scheme at that time without examining it in detail. I was asked to withdraw my Resolution, but I did not, and, Sir, I stand justified today for not having withdrawn my Resolution in 1923. I think, Sir, a great deal of injustice is being done to the officers of the Indian regiments when their sons are not brought to the same level as the other classes who are improving in India. What does an Indian officer who has got the Viceroy's Commission feel today? He feels that while people in other spheres of life like the civil Departments can amass a lot of money and wield a considerable amount of influence in the country, the sons of military officers cannot improve themselves side by side with their countrymen. They are stopped at a certain stage in their career; that is, when they attain the rank of a Risaldar-Major or an Honorary Captain. An Indian officer feels that his sons must get the King's Commission now, and it is time that that

Mr. President: The Honourable Member's time is up.

Mr. Muhammad Yamin Khan: Very well, Sir. This is their grievance which must be remedied as soon as possible.

Then, Sir, before I conclude I should like to make a few remarks about the frontier policy. I would in the first place like to point out that there should be a change in the outlook. I would not like to prejudge the actions of the Retrenchment Committee, and I would therefore refrain from making any remarks to show on what items there should be cuts effected, because if a Retrenchment Committee is going to be appointed, that will certainly go through all these things. With these few remarks I resume my seat.

Mr. N. M. Dumasia (Bombay City: Non-Muhammadan Urban): Mr. President, I carefully listened to the speech of the Honourable the Finance Minister, and I read it over and over again to see whether I find myself in agreement with it. The speech is not only admirably conceived in an admirable spirit, but it is set out with clarity of thought, but I must say that it has disappointed the country, whose resources for taxation have already been exhausted. Sir, the Honourable the Finance Minister has failed to read the signs of the time; he has failed to realise the temper of the country; he has failed to understand the significance and underlying causes of the no-tax campaign, and moreover he has failed to notice the cause of the civil disobedience movement; he has failed to realise the reality and gravity of the situation, and he has failed to take into account the capacity of the people of this unhappy land today to bear any further burden in a time of unprecedented crisis. Sir, this heavy taxation is the cause of the deep discontent and unrest in the country and this additional taxation will only accentuate and aggravate that discontent and unrest. The Honourable the Finance Minister pleads for our sympathy in his difficult task. He deserves it. If our sympathy can be of any use to the Honourable the Finance Minister, we offer it to him in abundance, but the country will refuse and the House will refuse to lend its support to his extravagant proposals for taxation.

Sir, the Honourable the Finance Member has attributed to two factors the heavy deficit, and the present bankrupt state of the finances of the Government of India. First is the world depression and the second the civil disobedience movement. I confess that both these factors have played their part in creating adverse effects on the finances of the Government, but they in themselves could not have brought about this unprecedented calamity to the Government exchequer. If there were a reserve of strength, if the resources of the country were not dissipated mainly on the military expenditure and on top-heavy administration, these factors alone would not have precipitated the bankruptcy which has overtaken the Government. In addition to these factors, I will mention another factor, and that is the policy of the Government which has to a great extent brought about the present exceptional condition in the country. Sir, Government were warned to check the extravagant expenditure on the military and civil side. They failed to listen to the advice of the responsible legislators with the result that the country is today in dire distress.

Sir, this Budget reminds me of a story in one of Marvut's novels in which it is related that a tar presented himself before the captain and said he wished to make a complaint. The captain asked, what was the

nature of the complaint? Was it a ship, was it a cabin, was it an officer, was it the crew, was it a log, was it discipline, or was it the food? The tar hesitated a bit and then blurted out "Sir, I object to the 'ole Blessed 'ot". Similarly, Sir, I object to the whole Budget. I do not like its look. I do not like the look of the parting gift of the administration that is now in the melting pot. I confess it is a sound principle in finance to levy taxation when necessary and to lay it on profits and on the broadest shoulders, but there is a limit to it, and that limit was overreached a long time ago, and the country is no longer able to bear any further burden which is in excess of that levied during the last war to enable England to win it. Such a burden can only be justified by imperative national emergency or in time of a great calamity or when it is necessary for a national purpose, for national development and progress of the moral and material welfare of the people. Can it be, in all honesty, said that these

12 Noon. new taxation proposals are conceived in national interests, or can it be said that the additional revenue is to be spent for the benefit of the people? It is levied to meet the day to day expenditure of the top-heavy administration of the Government, which, like the Bourbons, have learnt nothing and forgotten nothing. Sir, if this Government cannot meet the day to day expenditure without incurring heavy debts or without levying a high scale of taxation, that Government is not fit to survive even for a day. The sooner it makes room for its successor, the better. The Honourable the Finance Member has declared his purpose of handing over a sound business to his successor. It is a laudable object, but the trouble with this Government is that it is worried more about its successor than about relieving the present distress of the poor people of this country. Do you mean to leave a sound business to your successor when you are exhausting all sources of revenue? What you would leave to your successor will be a capital levy to fall back upon to meet its demands. You cannot call it sound business. Your successor will have only the legacy of bankruptcy and exhausted reserves. You will leave nothing in reserve for your successor for taxation. The Honourable the Finance Member will ask, what am I to do in this plight? Sir, the reply is obvious. We have been talking of retrenchment of military expenditure, but to urge it here is like flogging a dead horse. Sir, it has been admitted that a part of the Army in India has been reserved to maintain the supremacy of the British power in the East, and many responsible statesmen have urged in the past that the cost of the military reserves should be defrayed out of the British Exchequer. If that had been done, that would have brought great relief to India. But all the warnings that have been sounded have not been heeded, with the result that we find ourselves in a most deplorable and helpless condition to-day. Sir, this aspect of the question was pointed out in the minority Report of the Welby Commission also, where it was said that a part of the Army expenditure should be refrayed by the Home Government, and I respectfully and earnestly urge the attention of the Honourable the Finance Member as well as of the House to this aspect of the question.

Anybody who has been following the affairs of this country during the last eight months must have perceived that the Government and the country are going down at a rapid pace. They ought to have taken retrenchment immediately in hand. This belated Retrenchment Committee is like calling in the doctor after the patient is dead. We do not

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know when its deliberations will be completed, and whatever its results, the revenues of India will not get relief during this year.

Sir, the Honourable the Finance Member has entered into an apologia of his currency policy. I think the country will remain unconvinced. Nobody denies that if the exchange becomes unstable and it topples down, it will usher in a disaster of great magnitude to the country. But those who have imposed this artificial ratio on the country ought to have foreseen this difficulty and ought to have done everything to avoid it. But what did they do? They carried this ratio in the teeth of strong opposition in the country. The Honourable the Finance Member says that if the ratio were changed and conditions became unstable, the country would lose its credit. For that the whole responsibility must rest with the Government and those who forced this ratio upon the helpless people of this country. Sir, when the executive is irresponsible and irresponsive, and when it is irremovable, what are the people to do? Rightly or wrongly, the Indian commercial classes believe that all the misfortunes are due to the ratio. (*An Honourable Member*: "Of Bombay.") Sir, I am not an economist, but when this black ratio was imposed upon this country, Sir Basil Blackett in this Assembly said that a higher ratio was injurious to the best interests of the country. We all know that one and six is higher than one and four. Sir, it is the economic factors which have made or marred the history of countries in the past and it is those economic factors which are now having full play and making a new history in India. Once the economic factors are let loose it is difficult to control them. If these economic factors were taken care of and looked into in time, and if they were remedied, the present deplorable condition would not have arisen.

Sir, then, there is another grievance to which reference has been made by the Honourable the Finance Member. He has replied to the four charges that have been made against the Government. I submit that the cumulative effect of all those charges is that they have depressed the trade and industry of this country. The capital which should be utilised for the development of industries and trade and commerce of the country has been diverted to meet the demands of the Government. There was a time when public companies refused to receive deposits. Now, they cannot get deposit because Government pay a higher rate of interest than the companies. This has seriously told upon the trade and industry of this country and we do not know where it will lead to.

Then, I would like to know from the Honourable the Finance Member whether all the Customs revenue collected at Viramgam, which is credited to the Government of India, belongs to it, or whether the Government of India intend to meet the claims of the States and make a refund to the maritime States of Kathiawar in accordance with the treaty of 1917. When an adjustment is made of this item, then I am afraid it will make a further deficit in the Government of India Budget. Sir, this Budget will deepen the discontent, aggravate the unrest that is prevailing in the country, and this House cannot and should not be a party to accentuating that discontent. The country is not in a mood to tolerate this heavy expenditure. The raid that has been made on the income-tax at a time when people's income has fallen, can only be justified by national emergency, and I submit that a national emergency has not arisen. You have

not explored all the avenues of retrenchment. You have not removed the wastes and you have not listened to the appeals of the people for retrenchment. At a time when the country wants relief, you want to place this crushing burden on it. The first principle of taxation is "No representation, no taxation". You cannot say that this House represents the people of the country. We as legislators cannot be a party to laying this additional burden on the country. This will be the last straw that will break the camel's back, and I ask the Government to consider where their policy will lead to. We all hope that the Government will consider and find out all avenues of retrenchment and reduction. That will be the only remedy for saving the country's credit and removing the deficit.

Sir Hugh Cocke (Bombay: European): I am aware that Bombay has been a rather depressing place in the last few months, but I did not think it was possible for any depression to have made its mark on an Honourable Member to the extent that the Bombay depression appears to have made its mark on my Honourable friend. He said that the Budget was a thoroughly bad thing and he went on at some length to give a list of the various respects in which the Finance Member had failed, so it was rather welcome to hear him say that the Finance Member had our sympathy and thoroughly deserved it. It did not seem from his remarks that the Government deserved any sympathy at all. The Honourable Member who opened this discussion said that it was the duty of the Finance Member to cut his coat according to his cloth, but he did not explain, if the cloth was not enough to go round the body of the Finance Member, what the Finance Member was to do about it. Apparently he would have to leave a portion of his body exposed.

Maulvi Muhammad Yakub: Let him content himself with a waist coat instead of a coat.

Sir Hugh Cocke: It is the duty of the Finance Member to cover his expenditure with his revenue, and therefore the saying which my Honourable friend quoted was not perhaps entirely apt. There are two things that produced a cheer during the Honourable Member's Budget speech. One was the taxation of liquors and the other was the proposed appointment of a Retrenchment Committee. I do not want to enter into the question of the liquor tax except to explain to Honourable Members what I believe is an undoubted fact, that the liquor which is thought by some to be consumed mainly in messes and clubs and in the houses of Europeans is rather a myth. I believe the bazaar trade in wines and spirits in India is far in excess of what one might call the first class trade. I do not deplore these duties, provided they are suitable from the point of view of producing revenue. As regards the Retrenchment Committee, that recalls to my mind a debate in this House a few years ago, when the Honourable the Leader of the Opposition took part in it, if he did not actually move the Resolution and I urged on that occasion that if you were going to have a retrenchment committee it was essential to have a small expert committee which, even if it were not a whole-time committee like the Tariff Board, would at any rate occupy a considerable amount of its time in going into the inner working of the Government Departments. A committee like the Inchcape Committee is all very well. It can inflict large cuts here and there, but unless you have a committee going into the details of the administration, sitting in the

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Customs Houses, and so on, and really going into the question of the staff, hours of work and so on, you won't get to the bottom of the trouble. I know that such committees are not popular in any place, whether in a Government office or in any other office. It takes up the time of the staff, but still I do maintain that a small expert committee is really what is required. I think we made some impression upon Sir Basil Blackett, because in replying to the debate the only defence he put forward was that the expenditure on the committee would be considerable and therefore there would be no retrenchment at all! The Honourable Member in his Budget speech devoted some time to the question of the pay of the services and analysed the large figures of expenditure in such a way as to show the House that the economies that could be effected were not as great as is often argued. He stated that it was not a case for hasty action, and I think we all agree, because obviously it is an all-India matter. You cannot suddenly cut down the pay of any branch of your staff without that reacting all over India. I think it is quite time that this committee was set up to go into the pay of new entrants into the service, and although the effect of that will be slow, at the same time it is quite time that a commencement was made.

Coming to the question of income-tax I have heard various protests about the increases, but I do not know that I have heard any constructive suggestion which would raise a similar amount of revenue,—any constructive suggestion which, having regard to all the circumstances, political and otherwise, which exist today, would be considered a suitable alternative by this House. The increases in the rates are fairly substantial for the lower paid income-tax payers, increasing, as they do, the rates from 5 pies to 9 pies up to Rs. 5,000, from 6 pies to 11 pies from Rs. 5,000 to Rs. 10,000 and from 9 pies to 14 pies from Rs. 10,000 to 15,000. These increases which start from about 80 per cent. are very substantial. One is naturally inclined to compare the position of a married man in India with the position of a similar married man with a family in England, where special allowances are given, and it may be that there is a very good case there for some amendment in the rates. We have not got to the stage yet in India when bachelors are taxed at one rate and married men at another. That has been reached in the United Kingdom where allowances are given to a man with wife and children. Actually a man in the United Kingdom drawing £600 or £700 a year has to pay only an income tax on an equivalent of £200 or £300 at the maximum rate.

We are asked in the Budget speech to consider the question of carrying forward losses. Well, that is a thing which ought to be proceeded with. The suggestion was made last year that this change would be made if financial circumstances permitted it. They do not permit of it now, and therefore the matter is thrown forward again. Sir, there is no question whatever I think that the present method is inequitable. A man makes a profit of 2 lakhs in one year and a loss of 2 lakhs in the next. He is taxed on his profits, and he gets nothing back for his losses. Therefore, that cannot be right, as in the two years he makes no income at all yet he would be taxed as if he had enjoyed an income of 2 lakhs. Therefore, the commercial community undoubtedly looks forward to this change as early as it can possibly be made. It is a question of course whether this increase in the gross rate of taxation from 19 pies to 26 pies is not one which will react against the revenues in that it will not at this

particular time bring in the results which are anticipated. It is a rather remarkable thing that in the current year, when of course the income-tax revenue was mainly on the incomes of the previous year (which had been more or less normal), the Budget expected a return of Rs. 17 crores 28 lakhs, and only got just over Rs. 15 crores—a shortage of Rs. 2 crores 19 lakhs. Well, that may have been due to some extent to the political disturbances in the country, because that revenue also includes the tax on salaries, and lots of people lost their jobs or suffered a decrease in salaries as a result of the depression, but it looks as if the actual taxation of profits made in the previous year did not yield what it was expected to do, and now of course in the coming year we are going to tax profits which are very much depleted.

It is satisfactory to notice, Sir, that the Civil Administration figure as a result of the retrenchments so far effected is down for the first time after a very long period. The expenditure which was roughly Rs. 8½ crores in 1923-24 gradually worked itself up to Rs. 12½ crores in the revised figures for 1930-31; in other words, there was an increase of 50 per cent. in the Civil Administration expenditure in seven years. Now, for the Budget year, a figure of just over Rs. 12 crores is budgetted for, so that at any rate we have started what I hope may be a continuous reduction in that figure.

As regards the amount set aside for the Reduction and Avoidance of Debt, Honourable Members will have noticed that it has shown a steady increase since 1926-27, when it was about Rs. 5 crores, and that it has gradually risen to nearly Rs. 7 crores. That has been due to the method of working out the convention agreed to during Sir Basil Blackett's regime. But I should like to point out to the House the peculiarity of Government finance in that our deficit for this year, which is an uncovered deficit and amounts to roughly Rs. 12½ crores, has in effect wiped out two years of our contribution to the Reduction and Avoidance of Debt. The figures go in as if that amount was put aside, but having actually put it aside on paper, you proceed to take it back again. Therefore on account of our deficit this year, we have not really put anything aside for the Reduction or Avoidance of Debt during the last two years. We used to have a Revenue Reserve Fund against which were put any deficits which arose, but that was very short-lived. In 1926-27, we had Rs. 2 crores 95 lakhs put into that Reserve, but most of it went out next year and the balance went out in the following year.

Sir, speaking on the whole, I think we must express some measure of satisfaction at the Budget; and although we naturally regret the increased taxation which has been found necessary, we realize that to some extent at any rate that has been due to the political disturbances in the country; and I should think no one would be more glad than the Finance Member at the settlement we are expecting to hear announced today which will bring an end, as we hope, to that campaign. (Applause.) That should react very much—even leaving the world trade depression as it is,—on the revenue figures for the coming year. Reference has been made to the fact that at some time in the not distant future this business will be changing hands, that the managers will be replaced; and one is tempted to speculate what the first national Budget will bring out, whether there will be any attempt to impose taxation which will be more general throughout the country than it is easy for the present Government to impose today, knowing the feeling that exists in the country; because although

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we are often told that expenditure is far too heavy and must be cut down, we are also told that not nearly enough money is spent on education and on the nation-building services. Well, obviously the new Finance Member of the future when he occupies his place on this side cannot have it both ways. He has either got to raise more revenue and go ahead with his education and nation-building, or he has got to follow the course that has been followed in the past of keeping taxation down to some extent and starving also to some extent those special items of expenditure to which the House attaches such great importance. At any rate I do not want to dwell upon that; I merely want to say that I think the Finance Member, although he has obviously taken the easy course, and has not gone into the difficulties of succession duties and the difficulties of taxation which might be more widespread; I say that although he has taken the easy course, I think we must on the whole congratulate him on having given us a very fair Budget. Any particular items with which we may disagree we can discuss later when the cuts come up, but on the whole it is a fair Budget; and now that we see some chance of more peaceful conditions in this country during the coming year. I hope the results of that Budget may be even better than he anticipates.

Captain Sher Muhammad Khan Gakhar (Nominated Non-Official): Mr. President, it is a rare thing for a soldier to speak in a political Assembly. It is rarer still for him to speak in a Budget discussion. Figures and politics do not go well with the training of trench warfare and smallarms. But a friend of mine encouraged me by describing the general discussion of the Budget as the day when anybody can talk of anything on God's earth in the Assembly. As such, I crave your indulgence and I hope that you will be pleased to stretch the rope of relevancy longer in my case than you would in the case of others—particularly my lawyer friends—who can defend themselves from rope and gallows. (Laughter.)

My Honourable friends who have preceded me have referred to the financial, economic and tariff aspects of the Budget. I shall refer to one topic which is known to them all and which is as much a concern of the industrial classes as of the rural classes, I mean the defence of India.

It is almost a truism in politics that the preservation of law and order is the supreme function of every civilised government, and the defence of India does indeed present some very delicate problems. Perhaps the most important question at the moment is the Indianisation of the commissioned ranks of the Army. This calls for a statesmanlike tackling to satisfy the demands of efficiency and the legitimate aspirations of India. Both must needs be reconciled. In this connection I take this opportunity, and I hope the House will support me, to welcome His Excellency the Commander-in-Chief's latest announcement regarding an Indian Sandhurst. It is a wise decision to promise a Committee to explore this question immediately, and I hope and trust that the personnel of this Committee, which even we soldiers have learnt from our friend politicians here is more important than the announcement of the Committee itself, will ensure accommodation for all the martial elements concerned.

We all know, Sir, that a substantial portion of our Budget consists of Military or Army allotments. We also know that the Army Budget is more or less a non-votable item. As such we cannot adequately

debate and emphasise the necessity of a substantial standing Army in India, necessary to guard her three-cornered frontier. But I think I should be failing in my duty if I were not to raise a mild but genuine protest, at this stage, against the system of selection of officers for the commissioned ranks. I hope Honourable Members in this House will forgive me the brutal frankness of a soldier in the remarks that follow. We in the Army live and die for our tradition. We resent it, and naturally too, when a certain non-martial class who did not care to patronise the rank and file of the Army, now come forward to appropriate to themselves the lion's share of the highly paid commissioned appointments. We submit that the appointments in the Army should not be made a mere marketable commodity, open to whosoever can cram up and vomit forth a few neatly coined sentences in the examination. We have no preferences for Hindus, Mussalmans and Sikhs. We claim consideration for the martial classes of all sections who carry in their blood from their cradles the traditions of dying gloriously for their King and country. I therefore hope that in the course of this financial year, steps will be taken to encourage the martial classes so that a sufficient number of promising youths from these classes will be available in time for the higher commissioned ranks that will now be open to my countrymen. In this connection I would invite particular attention to the claims of the Punjab Mussalmans, who constitute 40 per cent. of the total Indian Army, and of the Pathans, Sikhs, Gurkhas, Rajputs, Jats and Mahrattas according to their percentage in the Army. The problems of administrative control and *esprit de corps* necessary in the regiments demand that there should be common traditions of martial instincts in all the officers and the rank and file. Experience and justice therefore suggest that, as far as possible, the selection for commissioned ranks should correspond to the proportion of the various tribes in the rank and file, and in order to ensure this desired result, I would particularly appeal to His Excellency, our illustrious and gallant Commander-in-Chief and his advisers to initiate a bold scheme of subsidies and scholarships to the promising lads from the martial classes, with a view to equip them to lead their men on the lines laid down by the Britishers with the back-ground of their public schools and Sandhurst.

Mr. President, it is the politicians who make the war, but it is we soldiers who have to fight and win it. I hope I will therefore be forgiven when I say that our love for our Motherland is second to none, and I hope I can say without fear of contradiction that the Indian soldiers would live and die for their Motherland as gloriously as the best of the soldiers have done in any part of the world. But pray do not detract from the efficiency of our Army by applying mathematical formulas and geometrical meters to secure the Indianization within 'x' number of months or years. Let us all concentrate on securing it as quickly as possible, but you cannot create a General out of a collection of men any more than you can command the waves of the ocean not to flow where they list. Assemblies and Secretariats can work as machines, even if some of the component parts happen to be like myself, but one loose screw in the Military machine will mean disaster for hundreds possibly thousands of men and to the peace of nations.

One word more, Sir, and I have done. I was pained to hear the other day the speech of my Honourable friend, on the opposite bench—

[Capt. Sher Muhammad Khan Gakhar.]

I am sorry he is not in his seat now—who, in a fit of excitement, described his great community as throttling the throat of my community. I could have talked in the same spirit, but I will not do so. I have had the privilege of serving with and leading my brother Sikh soldiers. I respect their chivalry second to none. But I respect them, more than anything else, for the fact that the best of them, unlike my 'Honourable friend, rightly appreciate the good points of others and forget the bad points. I submit that if the Mussalmans and others similarly start vomiting political bile in this Assembly, none will be the gainer, and India will lose, and may I as a soldier, who loves fighting, appeal to my Honourable friends, that there are moments in the struggles of nations when the most chivalrous fight is not to fight. Therefore, let me warn my Honourable friend through you, Sir, that if gods care or condescent to take notice of his ultimatum to fight, he will find Mussalmans a hard nut to crack, but I beg of him and others that we should so express ourselves here and outside that we may all talk vehemently and strongly and act strongly and boldly for the honour of India and the Empire and not for petty communalism. I reserve a further expression of my views on the Indianisation of the Army for a later occasion.

Rai Sahib Harbilas Sarda (Ajmer-Merwara: General): Sir, I thank you very much for allowing me an opportunity to say a few words about my unfortunate province, for this is the only occasion when I may speak in its behalf. Ajmer-Merwara has no local Legislative Council to discuss its affairs: and it only returns one Member to the Legislative Assembly who is helpless here, as year after year long before the turn of Ajmer for the discussion of its budget comes, *Qatal-i-Am*, for which Delhi is known to all students of history, begins and Ajmer-Merwara falls a victim to the slaughter of the innocents, without a sigh from the Treasury Benches or a protest from the rest of the House. Sir, no part of British India is so badly treated as Ajmer-Merwara. From 1818 when the British Government acquired possession of Ajmer-Merwara till 1871 it enjoyed the rights and privileges which were enjoyed by most provinces in British India. In 1871, in order to facilitate the working of the policy of Government towards the Native States of Rajputana, Ajmer-Merwara was made a non-Regulation province. Its Government became more or less autocratic. The rest of India continued to advance but Ajmer-Merwara was not in the march. The Minto-Morley reforms came, but Ajmer-Merwara had no place in them. Later on, the Montford reforms were introduced, but Ajmer-Merwara had no place in them either. As a belated measure, in 1924, Ajmer-Merwara was given the right to elect a Member to this Assembly. But when the cry from India became more insistent for greater freedom and greater political advance, the rest of the provinces were promised provincial autonomy, but the administration of Ajmer-Merwara remained where it was. And as a reward for its loyalty and as an appreciation for its high cultural traditions and its high and important place in the history of India, it was recommended that Ajmer-Merwara should be deprived of the one right, that had been given to it during the 110 years of British rule, namely the right to return a Member to the Legislative Assembly by popular election. This, Sir, is the realization of the policy of progressive association of Indians with the Government! Such is the proposal of the shining light of the Liberal Party who presided over the Statutory Commission. Even the

local Government of Ajmer-Merwara found it impossible to support this proposal of the degenerate follower of that last of the Liberals in England, Sir Henry Campbell Bannerman, who held that even "good government was no substitute for self-government". Sir, the party which has abandoned its great liberal principles is now coming to an end in England and I hope the Government of India will consider that the recommendations so reactionary in themselves are in no way fit to be accepted. The Local Government, however, true to the traditions of the Political Department—for it is the Political Department that now administers Ajmer-Merwara—while declaring that no reasons had been given by the Commission for taking away from the people of Ajmer-Merwara the right of election, has recommended that this right of election should be given to the Municipalities and the District Board of that province. Sir, this proposal is worse than nomination. The Municipalities of Ajmer-Merwara have a very large number of nominated members, and the District Board of Ajmer is nothing but the Commissioner of Ajmer, *plus* a few of his nominees. Sir, by their recommendation, the Government are trying to secure all the advantages of nomination without the odium and the reactionariness that is involved in the proposal of depriving the people of the power of election and substituting for it nomination.

Sir, Delhi is about the same size as Ajmer-Merwara and has about the same population. Now it has been recommended that in the new constitution, Delhi should have two Members in the Legislative Assembly and one Member in the Council of State. Ajmer, on the other hand, is asked to remain content with one mutilated Member, in the Legislative Assembly, and one-third of a Member in the Council of State, for Ajmer-Merwara is asked to elect a Member to the Council of State at every third election, that is once in 15 years. Sir, the North West Frontier Province, one of the minor administrations, is going to become a full Governor's Province: Delhi is advancing; even Coorg, another minor administration, half the size of Ajmer with less than half its population, has not only got a local Legislative Council, which administers its affairs, but it has now been recommended that it should elect a Member to the Legislative Assembly, and a Member, on the same lines as Ajmer-Merwara, to the Council of State. Sir, a province like Coorg, which is half the size of Ajmer-Merwara with less than half its population, is not only to have the same rights in the Legislative Assembly and the same political status as Ajmer, but in addition, it is given a local Legislative Council to administer its local affairs.

The net result, Sir, is that while the rest of India is progressing and is advancing in political status, Ajmer-Merwara is retrogressing and is recommended to give up what little it has been given during the last hundred and ten years. I am reminded of the true saying contained in the book held sacred by the Christian Government of this country, which says that to those who have much, more shall be given and from those who have little, that little shall be taken away from them.

Sir, it is sometimes said, in order to justify the neglect with which Ajmer-Merwara is treated, that Ajmer-Merwara is a deficit province. This is absolutely untrue. Of the ten minor administrations in India, Ajmer-Merwara is the only paying concern: it is the only surplus province. According to the latest published Administration Report of Ajmer-Merwara, that for 1927-28, the total income of Ajmer-Merwara is Rs. 27,65,371-3-1

[Rai Sahib Harbilas Sarda.]

and the total expenditure Rs. 26,10,038-7-7. In order, however, to create an excuse for treating Ajmer-Merwara unfairly, in the balance sheet in the Administration Report, a sum of Rs. 15,80,092-15-1 which is paid as interest on public debt from the Government Treasury at Ajmer is included on the expenditure side, and thus Ajmer-Merwara is shown as a deficit province. This amount of 15 lakhs odd has as much to do with the revenue or expenditure of Ajmer-Merwara as with those of Delhi or Trichinopoly. It is paid to the holders of Government debt in the shape of promissory notes, bonds, etc., and in the body of the Administration Report itself, it is stated that the holders of most of these bonds do not belong to Ajmer at all. In any case, even when a few of them live in Ajmer, it is not a legitimate charge on the administration of Ajmer. If, for instance, some rich men in Ajmer held Government promissory notes worth 3 crores, will the interest payable to them by the Government Treasury at Ajmer be charged against the expenditure in the province?

I will only say one or two words with regard to the culpable neglect with which my province has been treated, in the matter of education. In other provinces in India, compulsion has been introduced to a more or less extent. In Delhi, compulsion obtains. It is only in the North West Frontier Province and Ajmer-Merwara that this system has not been introduced. But, while Government are afraid to introduce it in the North West Frontier Province as the people there do not want it, in Ajmer-Merwara the people have been clamouring for it and the district authorities have also recommended that it should be introduced. But the one reply which the Government of India have got to give is, "no money". Sir, while Ajmer-Merwara is always given the reply that there is no money, to Delhi and the North West Frontier Province, the Government of India give financial assistance with both hands. I do not for a moment grudge any grant that is being given to the North West Frontier Province, for the people of that province deserve all the help that can be given to them as also those of every other province. I only want to show the unfairness, comparatively speaking, with which Ajmer-Merwara is treated in the matter of grants from the Government of India. Leaving aside the question of compulsory education, you will find from the last Quinquennial Report on Education that the expenditure on girls' education actually went down from Rs. 10,595 in 1921-22 to Rs. 6,909 in 1926-27. The Government expenditure on education in Delhi which, as I have shown, is of about the same size and has the same population, is about Rs. 2,56,949, while in Ajmer it is only Rs. 57,828. In Ajmer, according to the Quinquennial Report on Education, only one per cent. of the girls of school-going age attended schools in rural areas, which is the lowest to be found anywhere in India.

Sir, Government should take heed lest the conviction sink into the minds of the peaceful people of Ajmer-Merwara that if they want justice to be done to their province, the only way to secure it is to develop an ability to give trouble to Government. Do Government wish that peaceful provinces should come to believe that their claims would be listened to in proportion as they had the ability to make the Government of India uncomfortable? Speaking here on behalf of my constituency, I say with all the emphasis that I can command, that the people of Ajmer-Merwara will not be satisfied unless some machinery is devised which will give to

the people of that province the right to participate in the administration of the country in the same way and to the same extent as is proposed to be given to the people of other provinces. And so far as the Central Legislature is concerned, the people of Ajmer-Merwara should have the same rights and the same status as the people of Delhi which as I have said is of about the same size. If Delhi is to have two Members in the Legislative Assembly and one in the Council of State, there is absolutely no reason why Ajmer should not have an equal right to return two Members to the Legislative Assembly and one Member to the Council of State. And there is all the greater reason for this now, because when the number of elected Members in the Legislative Assembly which is now 105 expands and the Assembly consists of more than 200 Members, Ajmer-Merwara would be fully entitled to return at least two Members to this Assembly.

Dr. R. D. Dalal (Nominated Non-Official): Mr. President, I fear this Budget for 1931-32 will create considerable criticism throughout the length and breadth of the country by reason of unprecedented increased taxation. But I submit that we must consider the subject as a whole, and when we take into consideration the unpleasant factors that prevailed during the last 12 months, namely, great economic trade depression and the campaign of lawlessness which destroyed confidence, restricted credit, and dislocated business, we cannot but admit that the proposals made by the Honourable the Finance Member are equitable and that the increased taxes are only inevitable. Then, Sir, I cannot help offering my most cordial congratulations to the Honourable the Finance Member on the way in which he has courageously handled a situation full of difficulties. Now, Sir, I propose to make a few remarks on behalf of the rural population. You naturally ask what qualifications I have for speaking on behalf of the rural population. Sir, as you are aware, I come of a family which is one of large landholders and one of the pioneers of agricultural prosperity in Gujrat,—Western India—so since my childhood I have been in contact with rural masses. But what is more, I have worked among the rural masses for 30 long years. So you will be pleased to concede that I do not speak to the House as an uncertified adventurer out of the street. Sir, in paragraphs 72 and 73 of the speech of the Finance Member introducing the Budget for 1931-32, he says that he is left with a surplus of 31 lakhs and that he wishes to give grants for beneficial purposes. Now, Sir, I respectfully ask, what better beneficent scheme can there be than the travelling dispensary system of medical relief and public health propaganda in rural areas? Sir, in the constituency of Bombay Southern Division from which you come to this great Central Legislature, the Belgaum Red Cross Executive Committee have established two Red Cross travelling dispensaries, one in the Belgaum District and one in the Kanara District. Now, Sir, I am not going to trouble the House with the details of these travelling dispensaries. Suffice it to say that these dispensaries have done excellent work and they have grown into the hearts of the rural population. You naturally ask, what do these dispensaries do? The functions of these travelling dispensaries in one word are, to take medical relief to the doors of the villagers, and to educate them by lantern lectures in their own vernaculars as regards the most killing diseases, namely, plague, cholera, small-pox, malaria, tuberculosis, guinea-worm disease, evil effects of administration of opium to infants, and child welfare, and also to train school masters,

[Dr. R. D. Dalal.]

police officers, village officers, circle inspectors, and foresters as to disinfection of drinking-water supplies with permanganate of potash and local treatment of snake-bite with permanganate of potash. Now, as to the cost of one travelling dispensary, the initial expenditure is Rs. 1,000 for the equipment, and the upkeep of the dispensary will cost Rs. 2,400 per annum. India comprises nine provinces, including Burma, and these provinces contain about 270 districts. So during the first year the expenditure for the equipment and upkeep of these 270 dispensaries will be about 9 lakhs of rupees, but in every subsequent year the expenditure will amount to about 6½ lakhs. The Belgaum Red Cross Executive Committee have sown the seed, and now it is for Government to ripen it and to reap it. I am strongly of opinion that this good work should be expanded and extended as it should be and as in justice it must be. It would be justice for the poor destitute rustic folk and for the poor sick villagers who bear their hard lot bravely. Sir, it is just possible that the Honourable the Finance Member may not be able to make a grant for this purpose; but surely it should not be an impossible matter to cast about for ways to cut down expenditure here and there to finance the measure I am advocating—a measure which is fraught with such enormous potentialities of benefit, and which will come in as a second string by way of medical relief and improvement of public health to India's bow, and which is bound to set its mark on the mortality of rural areas. Sir, I submit that finance should not be allowed to prove an insurmountable difficulty where the question of the health of the whole country is concerned, and that means of overcoming the difficulty should be found. I need hardly

1 P.M. point out that the condition of the rural masses is most deplorable. There are times when they suffer great hardships. The bulk of the masses out of reach of regular dispensaries and hospitals frequently suffer great hardships when illness befalls them; and between the hard and rigorous conditions under which the rustic folk earn their living and the equally hard and rigorous conditions under which they live they have to face a heavy burden, so the poor people need all the help and support that can be given to them. Sir, I earnestly commend this modest proposal to the sympathetic and favourable consideration of the Honourable the Finance Member, and the sympathetic treatment of this question will earn the commendation and gratitude of the rural masses for Government, whose beneficiaries they are.

My Honourable friend, Sir George Schuster, is an Officer of broad vision and great sympathies, with a great love of justice, and I earnestly hope that he will do all he possibly can to help the rural masses. One word more and I have done. Under the Red Cross Act, XV of 1920, the Viceroy is the President of the Indian Red Cross Society. The Red Cross work that I have just referred to has been done during the term of office of His Excellency Lord Irwin—a Viceroy who has taken a deep interest in Red Cross work, a Viceroy upon whom the eyes of all India are at the present moment turned in gratitude and reverence, a Viceroy who will go down to posterity as the Apostle of Dominion Status to India. (Applause.)

The Assembly then adjourned for Lunch till a Quarter Past Two of the Clock.

The Assembly re-assembled after Lunch at a Quarter Past Two of the Clock, Mr. President in the Chair.

*. **Diwan-Bahadur T. Rangachariar** (South Arcot *cum* Chingleput: Non-Muhammadan Rural): Sir, I do not want to follow on this occasion the usual practice of paying compliments to the Honourable the Finance Minister. We have had bitter experience of paying compliments, and when one Finance Member succeeds another we discover afterwards that the compliments paid have been in vain. For instance, Sir, referring to recent years we were deluded into the belief that we had balanced the Budget, balanced the gap between receipts and expenditure, and embarked upon, at any rate the Government embarked upon, giving effect to recommendations made by Commissions and others, increasing the permanent expenditure of the Government of India in the shape of increased pay and allowances to certain Departments and afterwards extending those recommendations to various other Departments not contemplated by that Commission. They took the view as if the prices which then prevailed would prevail for ever; they took the view that the finances of the Government of India had become stabilised and therefore they could embark upon those extravagant schemes. I think, Sir, the Finance Minister of the day was responsible for the state of affairs in which we find ourselves today. I do not think the Finance Minister is at all to be blamed in this matter; in fact no single individual is to be blamed for this. The whole position is due to, as the Honourable the Finance Member himself has said in a way but not said it completely, what is inherent in the system. That position, Sir, is due to the system of public finance which we have had for the last 100 years and more. Sir, if the West can learn from the East, there are two rules which our public financiers and people handling our finances used to observe. The Finance Ministers of our Kings were compared to the sun. The sun, Sir, may sometimes be complained of as producing excessive heat, but the sun is a beneficent God. He, Sir, absorbs the moisture from the ground, but he returns the moisture a thousandfold. The Finance Minister was advised to compare himself to the sun and return the taxes to the people from whom he takes them in some shape or other. For what purpose do you take the taxes? To return to them to the people, a thousandfold if you can, at least tenfold if you can, to the people from whom you take them. That rule, Sir, had all along been observed by our Kings in the past. The second rule that every Finance Member was asked to observe was that he should not take more than one-sixth of a man's earnings, and if these two golden rules had been observed by our Finance Ministers in the past, had been observed today, we would not have found ourselves in the situation with which we are faced today. But no, Finance Ministers can work wonders, they can work magic figures, they can juggle, they can gamble in monsoons, in currency and exchange. So I do not intend to blame any Finance Member of the Government of India for imperfections which we find in the Budget presented to us. Nor do I congratulate the Finance Member on the Budget which he has presented, because, speaking frankly, it is not a Budget on which we can congratulate him. Sir, the Honourable the Finance Member has not done all that he should have done even in the limited spheres in which he finds himself. Giving due weight to these difficulties and limitations under which he is suffering, I have got a complaint to make, Sir, on several heads of the

[Diwan Bahadur T. Rangachariar.]

Budget against the Finance Member. Sir, I was not here when the Finance Member took charge and made his first Budget speech. But there, Sir, I found a passage that as a student of Indian finance he said that he would go into the economic condition of the country, that he was closely studying the economic condition of the country, and I had hoped, Sir, as an able financier that he is, he would have finished that study by now and given us the result of his investigations into the economic condition of the country. Sir, we have yet to receive the results of that study. The Honourable the Finance Minister could not make the same complaint which we non-officials make that we have not the same access to the records of the Government of India that he has. But, Sir, we non-official Members labour under great difficulties in understanding the real finances of the country. We passed Resolutions both in the Council of State as well as in this House asking that the Government of India should periodically publish, as other civilized Governments do, a Year Book and Quarterly Books, giving us up-to-date information as to the various factors which go to make up the economic condition of the country. New countries like Australia, South Africa and Canada issue not only Year Books, giving up-to-date information, but every quarter they bring up the information, and what is known as the pocket bible book of the politician in those countries is supplied, and I get them, Sir, every quarter from the Dominions. Why, Sir, in our country, with all the costly establishment, we should not have up-to-date information, I really fail to see. I am ashamed to see that the Honourable the Finance Member, when he has to make his comments, has to rely on the figures, for what years? He has to rely on the figures for 1928-29, for which the latest information is available. Sir, that a Finance Member in possession of all the information in the country should take the figures for 1928-29 for the purpose of giving us guidance in order to discover what defects there are in the Budget or what proposals we should make, is a thing which no country in the world can tolerate except India. Why should it be so? With a Director of Commercial Intelligence, with a Director of Public Information and with a Director in charge of so many other Departments, with costly establishments, why this information relating to statistics should not be kept up-to-date, I for one cannot understand.

Sir, this matter was prominently referred to in the Report of the Indian Economic Inquiry Committee, which was appointed in pursuance of a Resolution of this House in 1925 by the Finance Department. I want to know what has been done to give effect to the recommendations made by that Committee? The suggestions made by my esteemed friend, Sir M. Vishweshwarayya, and other Members of that Committee have not been given effect to at all in any way. That Committee went exhaustively into the materials available, and they made certain suggestions. This was in 1925, and we are in 1931. When a question is urgent, the usual way is to refer it to committees and await their Report. The committees take all the trouble; Government spend a good deal of money on all these committees. I have presided over several committees, and I have been a member of several committees in my own humble way, but what is our experience? Things which Government want to get done are done with lightning speed. Lee Commission; at once given effect to. No reference to the Local Governments, no returns from Local Governments awaited.

They are given effect to at once; no exhaustive noting by the Superintendents, Under Secretaries, Deputy Secretaries, Secretaries, and so forth, and then they come back again. These things do not take place whenever the Government of India want things done. When they want things done, they do them with lightning rapidity, but when it comes to really giving effect to recommendations which relate to the public, they delay and delay. And here is an instance, where, especially when we are going to get a new Government, these things should be ready at hand. But we have not got any such information. And my Honourable friend, new as he was then when he first spoke on the Indian Budget, told us that he was going to study the economic condition of the country. Sir, I await the result of that study. I await it with anxiety, with avidity, because a fresh mind will be brought to bear, a trained mind will be brought to bear upon such an important question. On the other hand, we are dealing with antediluvian statistics in order to build our future, which, Sir, I think is not justifiable at all.

Again, my second complaint against the Honourable the Finance Member is that he seems to be easily satisfied. Our financial situation is deplorable. He admits that. It is due to many causes. It is due to world causes; it is due to internal causes. It is due to the unsettled state of affairs in this country, both political and otherwise. Now, under such circumstances, while he had budgeted for a surplus, he is faced with a heavy deficit. Last year, he asked us to sanction fresh taxation to the extent of Rs. 5 crores, and this year, he is asking our sanction to raise additional taxation to the extent of nearly 14 crores of rupees. Sir, there is a limit to the taxing of the people. I said that the golden rule should be not to take more than one-sixth of what a man earns. What is it that is proposed to be done at present? The only way in which we can deal with the present deficit is to touch the income-tax, and the Customs duties. There is no other source of revenue left. The other sources are either exhausted, or they belong to the provinces and not to the Government of India. If you touch the other sources of revenue pertaining to the Government of India, you will make yourself more and more unpopular. A Government which taxes the people, of course, is never popular; even a single pie of taxation is not liked; and it should be much more so when the taxation goes beyond the bearing point. It has got its own effects, direct and indirect. Sir, we cannot but deplore that, in an infant country like ours, where our industries have yet to come up, we cannot but deplore this heavy taxation, which is sought to be imposed by the income-tax proposals. Not that I object to it, I must make my position clear, because when you are faced with a situation like the one you have at present, we cannot but resort to these things, but one should strain every nerve to see that we avoid such a situation. Has that been done in this case? That is the point which I wish to stress in the few remarks that I propose to make. What has been done? What has it been proposed to do? In the shape of income-tax and super-tax, in certain cases you are taxing the people up to seven annas in the rupee; in some cases it comes up to four annas and five annas in the rupee. That is really taking away too much, not only from the trade and industry of this country, but from the man himself. His standard of living has already increased as your standard of expenditure has gone up. So, it must be with a bitter feeling that you should take so much money from the pockets of people who are toiling and moiling to earn a few rupees.

[Diwan Bahadur T. Rangachariar.]

Has the Honourable the Finance Member done everything, when he says at page 71 of the Budget speech as published in the *Gazette of India*,—

"I hope I have said enough to demonstrate that we have made a great effort this year to cut down expenditure."

Sir, my submission is that he has not. On the other hand, he is easily satisfied. Now, for instance, he gives credit to the Army Department for having saved Rs. 170 lakhs of expenditure. But, if you closely examine the figures,—as a layman I have done it, and not as a financier, not as an accountant, but I merely looked at the figures in order to see whether the Army Department could claim credit in the way they have done—if you look at the opening page of the Military Budget, you will find this. For the coming year Rs. 52 crores 60 lakhs is said to be the net expenditure. The gross expenditure is cut down by taking credit for Rs. 28 lakhs and odd—I am taking the net figure by adopting the method that they do, by deducting Rs. 28,76,000 as if it should be deducted. That is to say, there is a reserve fund or unspent fund from last year. Of course, unlike the other Departments, this Department has been allowed to accumulate the surplus of last year and keep it in reserve to be drawn for the next year. So, from the surplus of last year, or from such fund, they draw that amount, and because that money is not to be taken from the current revenues apparently, that is to say, there is no demand for it—of course there is no demand for any military item, it is non-votable, it is untouchable, it is not a question of demand at all—therefore, the net expenditure is really Rs. 28 lakhs odd more, and why they should take credit as if it was an item not spent I cannot understand. That is with regard to Rs. 28,76,000. Then, I compare these figures with the figures for 1980-81. To the net expenditure for 1980-81 they have added a sum which ought not to be added at all, namely, Rs. 46 lakhs, which, again, is an item taken from that fund. Rs. 46 lakhs is not expenditure at all. Rs. 46 lakhs is, no doubt, expenditure from that item, but it is not expenditure incurred by the Department, and therefore, that sum of Rs. 46 lakhs should be deducted out of the net expenditure shown under 1980-81. Now, Rs. 28 lakhs should be added to the net expenditure, that makes it Rs. 52 crores and 88 lakhs, and this item of Rs. 46 lakhs for 1980-81 should not be legitimately added, and therefore, the actual expenditure will come to only Rs. 53 crores 84 lakhs. The proposed expenditure would be, therefore, Rs. 96 lakhs less. If you deduct Rs. 52 crores 88 lakhs from Rs. 53 crores 84 lakhs, it will leave you Rs. 96 lakhs. That, again, is not a real saving at all. This Rs. 96 lakhs is really made up of another item of Rs. 85 lakhs, which ought not to come in at all. That comes in in this way. You will find that in the year 1980-81 they take credit for receipts. Under the receipts item, the last column but one, the receipts for 1980-81 are Rs. 3 crores 62 lakhs, whereas for the year 1981-82 they are estimated at Rs. 4 crores 47 lakhs, so that they get Rs. 85 lakhs more in the shape of receipts. So that, 96 minus 85, the real saving is only 11 lakhs, and not Rs. 170 lakhs. It may be all right as a book entry, but we are now concerned with the actual expenditure that goes out of the pockets of the Army Department. I quite realise that for book purposes, for audit purposes, it is all right, but take the actual expenditure. The proposed expenditure for the coming year is Rs. 52 crores 88 lakhs, whereas in the previous year it was Rs. 53 crores 84 lakhs and in this 52.88 this year you get, from the shape of receipts, 85 lakhs more than you did last year

I say you ought to get credit for that. It is not really money saved. From the taxation income you spend 85 lakhs more this year. It is a receipt from one head to the other. Just as a son gets Rs. 60 from his father and gets Rs. 40 from his mother. The money comes from the same pocket, and it does not matter whether the father gives it or the mother gives it. I am putting the matter as a layman. I think I am right and if I am wrong I dare say my Honourable friend will explain the position.

There are several matters like that. Take for instance the 25 lakhs from contingencies. You have already made a saving there, judging from the kind of pencils now being supplied. Then you say you are going to save on allowances. What those allowances are we have yet to discover. Have you done anything substantial in the matter of reducing unnecessary establishment? By saving in contingencies and allowances you make about 90 lakhs and you are easily satisfied. The Departments have deluded you into the belief that they have done their work. You have not paid that strict scrutiny which you ought to have done when you are asking the country to bear an additional burden of 15 crores. In the last seven or eight years you have added to the burden of the people by more than 100 crores. I hope an Indian Finance Minister is going to handle the finances next year. He will be in a very sad plight. He will be a very bold man to take up the job. I will not aspire to be an Indian Finance Minister when the time comes. What is he to do? The provinces will be clamouring for at least an additional revenue of 40 to 50 crores in order to carry on their work. What is left for the Finance Member in the Central Government? My Honourable friend has tapped every source. The Customs cannot bear much more. Then there is the surcharge and the enhancement of the income-tax and the additional tax on liquor. The country will be asking for prohibition. We are already aiming at it in the provinces. You will be putting the new Finance Minister in a most pitiable plight. He will be the most unpopular man in the Government. If you put succession duties in a country of joint families, you will add further to the burden on the land. The land is theoretically paying 50 per cent. of the net produce as revenue. Then you take all sorts of cesses, the road cess, the education cess, the village cess, the watchman cess and so on. 70 per cent. of the population living on land live a hand-to-mouth existence. Prices have gone down. The only happy people I see today are the salaried servants of Government and of private firms. They get their pay regularly between the 1st and the 3rd of every month. Prices have gone down for them happily. Where they bought $2\frac{1}{2}$ measures of rice for a rupee, they are now able to buy $5\frac{1}{2}$ measures. Where they got 2 yards of cloth for a rupee, they are now able to get 5 yards. Every commodity has gone down for their benefit. The unhappy faces I see are those who live on land, producing paddy, wheat, jute and cotton. Where I sold paddy for Rs. 3-4-0, I don't find a purchaser for even a rupee and eight annas. But the Government *kist* is the same and it is collected in January, February, March and April. Where is the money to come from? I earn in Madras and remit the money to Tanjore in order to pay my *kist*. The Karnams and Tahsildars say that if they don't collect, they will be taken to task.

Then, there is the income-tax. I wish it could be collected in instalments, in two or three instalments as it used to be. All of a sudden you

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are called upon to pay your income-tax. It comes to one-fifth of one-sixth or one-seventh of your income. You find that all of a sudden you have to pay in a lump sum of Rs. 10,000 or 12,000 or 15,000. How are the business people to do that? These things fall heavily on the people. Have you done anything in the matter of retrenchment? In all conscience I say you have not. You have not used that axe which you ought to have used. It is very very unfortunate that we have to face a Budget like this this year. I do not propose to go into the details, because I shall have an opportunity of doing this when the Finance Bill comes on. I have often suggested to Sir Basil Blackett that he should keep a log book or something of that kind. I do not know the technical expression. I asked him to take up the Incheape Committee's Report and keep an eye on every item, and work up slowly every year, so that we might know where they have gone wrong. Where is such a book? My Honourable friend has not yet produced his retrenchment proposals. It is unfortunate that Mr. Jukes is ill. Still you have taken a year. If Mr. Jukes was ill, you could have put on somebody else. The figures are there. My Honourable friend says he will be able to give us his Report before the end of the session. That is after we have passed the Finance Bill and the Budget. What use will it be then? The Assembly will be over and we shall have gone to our homes in Madras or Bombay or Bengal and forgotten the Assembly, and will meet after many months for a short session in Simla. We have not got a well-equipped secretariat to help us. These things should be given to us in time so that we may be able to give advice that can be acted upon. I have already exceeded my time limit, and I would now only add a few words in a friendly spirit. As the late lamented Lord Rawlinson told us on the floor of this House, my Honourable friend, Sir George Schuster, must consider himself the servant of the people and not of the Government of India. Let him apply all his ability, which I concede he has, in solving the most intricate problems which face India today. Let not his successor curse him for generations and generations. Let him apply himself to the task of placing the finances of India on a really sound and healthy basis and he will earn the gratitude of millions of this land. We thought that Sir Basil Blackett had saved the country, but now we find that he was merely a magician, juggling with figures. He told us a lot of things which we believed and acted upon. Sir, such a state of things should not be. Let us have sound public finance made over to the Honourable the Finance Member's successor, a trust which he accepts; let the trustee discharge his duties and give a clear, healthy balance. With these remarks I sit down.

Mr. G. Morgan (Bengal: European): Sir, Honourable Members will be very pleased to know that I am not going to range over the whole of the subjects in the Budget, and I would like at the same time to compliment the Finance Member on the fair Budget which he has presented. I think he has done all that was possible under the circumstances and in a very fair and general way. But, Sir, what I want to draw the attention of the House to is one particular item, and it will not take me very long to say what I have to say on that subject. It is with regard to the Central Committee on jute. The Finance Member says that he wants to earmark Rs. five lakhs from the estimated surplus of Rs. 31 lakhs for that Committee which he would like to get to some

useful work at once. Now I have had a great deal to do with this suggested Committee, and I would point out that in the first instance we objected to it very strongly. We only took up a more favourable attitude towards the suggestion when we heard that we had not to pay for it and also that it was not going to interfere with any of our trade customs or marketing. An officer, I think from the Government of India, came down to explain these things to us, and as far as I remember we boiled it all down to the question of more or less research,—and I think, Sir, I can say that research in jute is not wanted, and for this reason. The Director of Agriculture in Bengal for many years has been experimenting very largely and very carefully in jute fibre and has been trying to see if we cannot get a bigger yield of jute and if possible get an increased acreage. Well, all I can say is that the poor Director of Agriculture today is wishing he never had started it. He has got about 40 lakhs to 50 lakhs of bales which nobody wants, and now he is told to burn all his seed for next year? This Central Committee for Jute was proposed by the Agricultural Commission, but I think merely because they understood that the Cotton Committee on the other side was a useful body and did good work. We consider there is no analogy between those two Committees. Jute is a monopoly of Bengal, Bihar and Orissa and Assam and there is no competition from outside. The bogey that the Commission put up was the fear of competition of other fibres coming into the market. Now, Sir, I think that can be buried at once. Jute is a thing which can be Rs. 28 one year and can come down to Rs. 3 or Rs. 2 in a year or two: and I hold if anybody was foolish enough to put his money into any concern which would market a fibre to compete with jute, he would find that in a very short time he had lost all his money, because jute is an extraordinary article. It can be Rs. 28 in one year and it can be Rs. 4 the next, and yet it will be grown, for this reason, Sir. Between July and November in Bengal there is no other crop which will bring in money to the ryot, and before the Pujahs the ryot has to find money for his *kist* and for other purposes during the Pujahs. Now there is no other crop, and there is no research which will give us another crop for that particular season, and jute will always be grown. It may be grown a little less, but that it will always be grown, I am perfectly convinced, and no research work is necessary in that direction. I know that this amount is not in the Budget, but the Finance Member in his speech says that he might find it necessary to ask the Assembly to approve a supplementary grant, so that it might be suggested to the Assembly to give over these Rs. five lakhs long before we knew whether there was going to be a surplus of 31 lakhs or not. That 31 lakhs may not be realized, if conditions show signs of deterioration, and it might be that the Rs. five lakhs has been asked for before those signs of deterioration become accentuated. Therefore, I think the Finance Member will welcome our giving him a free gift of Rs. five lakhs while no other Honourable Member has suggested that there could be a saving of Rs. five lakhs in any direction; Sir, I think it would be a great mistake to earmark this. It is not a necessity at all so far as the trade is concerned; and when we are all talking about retrenchment and cutting down this and cutting down that, why should we spend Rs. five lakhs on what is anything but an urgent matter? If we have Rs. five lakhs to spend later on some years hence, well let it be spent. In a year when we have got no money, there is no necessity to spend it on starting a Committee which is not wanted at all.

Sir Cowasji Jehangir (Bombay City: Non-Muhammadan Urban): "At the same time we must not go too far in our pessimism, for a policy which magnifies unduly the burden to be put upon the tax-payer of today may defeat its own object by placing upon the commercial life of the country a load which will itself retard recovery". Sir, these are not my words (Hear, hear), these are the words that fell from the lips of the Honourable the Finance Member, and, Sir, in the few minutes at my disposal I propose to put these wise words to the acid test. The Finance Member has told us that the Budget taxation proposals should be of a character that should enable the country to recover from the depths of depression into which it has been plunged. Sir, a very few minutes after enunciating this great principle, he quietly proposes an increase of taxation of about 14 crores of money. Does he expect that, after taking 14 crores of money, out of the pockets of the people, he will place the country in a better position to recover from the depression in which it finds itself today? Is that his answer to the principle that he himself has enunciated? Sir, the text of all taxation is, firstly, that it should do the least harm possible to the country. I ask Honourable Members present to analyse the proposals and conscientiously say that the burden of taxation now proposed is in any way likely to produce an effect which will help us to recover. Sir, naturally, when you take large sums of money by way of income-tax out of the pockets of people, you take a comparatively large sum out of their savings: and when you take a comparatively large sum out of their savings, you starve all their investments, you starve industries and you starve trade. And you then go in a vicious circle. The British Chancellor of the Exchequer, a Labour Member as he is, will not dare to put additional direct taxation on the people of England because of the trade depression. Are we any better off in India than any other part of the world that huge direct taxation should be suggested on the present occasion?

Sir, I regret I am unable to congratulate the Finance Member on his proposals to fill up the gap. He will naturally ask—how is the gap to be filled up? His one concrete proposal is a Retrenchment Committee. Sir, we are rather tired of hearing of Retrenchment Committees. We want to see a little more retrenchment and less of committees. I agree with my Honourable friend the Leader of the Nationalist Party when he contended that Government at least in this country are extraordinarily slow to act. I will not add anything else to it, but that very often, when they want to act, somehow the wheels get clogged. In other countries when a crisis arises, we find Government working day and night to get over the crisis. Had not Government sufficient warning on the present occasion that there was going to be a big deficit? Within the first three months of this financial year, Government realised the position. And what did they do? Is there any retrenchment in this Budget? I contend there is not. You are budgeting for the same amount of expenditure as you did in the current year, and we have been told that there has been a retrenchment of a crore and 70 lakhs from the Army Budget. Sir, I was rather pleased to hear that, but on looking at the Budget I find there is no retrenchment. And if Honourable Members will take the trouble of looking at the figures, they, as laymen, not experts in finance, will agree with what I say. The Army Budget for the year 1931-32 is about 10 lakhs less than the Budget of the current year, and that retrenchment of 1,70 lakhs is

not actual camouflage, but as the ordinary man knows retrenchment and knows a cut, it does not exist.

I will just explain in two or three words how I understand the position. Some years ago, I think it was 1928-29, it was decided to have a stabilised Army Budget, and the figure was fixed at 55 crores. Modernization and mechanization was to be the order of the day and that was to continue for four years. This year's Budget, after certain modifications in the scheme about the details of which I will not trouble the House, ought to have been 54·20 crores. Instead of that, the Finance Member has agreed with the Army Department to reduce that 54·20 crores, which ought to have been the Budget for next year, by a crore, and 70 lakhs, bringing it down to 52½ crores. This is not a retrenchment from last year's Budget. There is a retrenchment or a reduction from what ought to have been the Budget for the current year under an understanding arrived at in 1928-29. I ask the ordinary man in the street whether that is retrenchment; and what is more, it is only going to be temporary, for the period of mechanization and modernisation is to be continued to six years. Sir, I do not think that is playing the game with this House or with the country in a critical period like the present one.

By the conclusions arrived at at the Round Table Conference, as you all know, it has been decided that the Army shall be a reserved subject and its budget shall be a first charge on our revenues. That presupposes that an inquiry will be made as to what should be the standard of the Army. What are our requirements? No such investigation has even been started. Surely in a critical time like this when it is essential that we should take from the people as little as possible to enable them to recover, you should have started an investigation immediately as to the standard of the Army. What are our requirements? What will be our requirements for the future? What check have Government themselves got on the Army Budget? The Commander-in-Chief is a member of the Government and is the principal expert in this country on the Army. And, if a military man, the head of your Army is a member of your Government, what chance, I ask you, have the other members of enforcing their will upon the experts who practically hold the position? I contend that the whole of the Government have no control whatsoever over this Military Budget. They are in the position of mere beggars, supplicants, asking for a dole now and then. They are not in the position of determining the Army Budget. I contend that the time has come, even without any further legislation, when Government should take up that position.

Sir, two crores are being spent in the current year on modernization and mechanization of the Army. A crore and a half is to be spent in the next year. Could not the Finance Member say: "Stop, I will not allow you to spend that crore and a half". Has he attempted to do so and did he fail? And if he failed, will he tell the Honourable House that he did fail? What is the use of modernizing the Army when we are starving? I can understand the requirements of the Army, but to talk of modernizing the Army at a time when you want five crores of money out of the tax-payer's pocket by increasing the income-tax, leaving aside the other taxation that has been proposed, is not right. It seems to be incongruous that the Finance Member should allow a crore and a half for modernizing the Army in a period of this kind. I say, Sir, I strongly feel that, under these circumstances, these demands should not be accepted and 1½ crores should be cut out of the Army Budget

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straightaway and this modernization of the Army should be stopped till we investigate and till we are convinced as civilians as to what the requirements of our Army really are, and what are requirements for the defence of this country. We are spending over 2½ crores, or somewhere near that on our air force. Have we proportionally reduced the expenditure in the Army because of an increase in this direction? That question has very often been asked. What are the requirements of the air force in this country and what do we want? Has any civilian been allowed to examine this question along with military authorities? It is only a clash of minds of the experts, and the non-experts that can produce the best results. We want a committee of investigation, consisting of civilians and a few military officers, who will go into the whole question of the Army expenditure and who will once and for all tell us, after careful examination, as to what our requirements are and what portion of the Army and to what extent we have to maintain an army for other purposes than absolutely and completely our own. Until that investigation takes place and until the Honourable the Finance Member insists upon getting that 1½ crores back from the Army that they propose to spend on modernization. I would respectfully submit that we should refuse some of the demands.

Sir, I do not propose to go into the question of the whole financial policy of Government. The time is much too critical to consider huge schemes. We are really in a critical position and if we do not all wake up, every one of us, and realise the position in which we are, then there will be starvation on all sides with little chance of recovery, because Government continue to demand whatever little surplus we may have; and if we do not realise that this critical position is to be met by drastic measures, we shall go the way that some ancient countries have gone before us. I strongly urge this Honourable House therefore to insist on a cut in the Military Budget of this year. (Hear, hear.)

An Honourable Member: Have we the power?

Sir Cowasji Jehangir: Well, we have the power to a certain extent. The next best thing is to refuse some of the demands. Let them be certified by all means. Use the powers you have got.

Then, Sir, we have heard, and to a certain extent rightly, that the political agitation has increased our troubles. I think that that aspect of the case has been exaggerated. If I may be allowed to put it in another way, commercial depression in this country has increased the political agitation. (Hear, hear.) If you but take measures to see that the country recovers and is given a chance of recovery, you will find that all political agitation will die a natural death. But instead of that, you are giving every phillip you possibly can by this Budget. If there was ever a remedy for a restless people, it is to see that they are fully occupied and earning a day's wage. We fully realise world conditions, but we also realise that other governments are taking the position and the conditions of today more seriously and more energetically than, I regret to say, I find the Government are taking it in this country. We have heard of all this retrenchment, but in the end the expenditure is the same as last year, both in the military and civil Budgets. Sir, I do not propose to go any further, but I would ask the Honourable the Finance Member, whether it is too late, even now, to make a cut in the Military Budget

and relieve us of the very awkward position of having to refuse some of his demands. If he did that even now, I am sure he would earn the gratitude of this side of the House and of the country, and what is more he would be helping to arrest the political unrest more than any other step that he or anybody else can take.

Diwan Bahadur A. Ramaswami Mudaliar (Madras City: Non-Muhammadan Urban): Mr. President, my Honourable friend, Sir Cowasji Jehangir, has spoken from the point of view of the business man. I should like to address my prefatory remarks from the point of view of one who is interested in the agricultural population of the country. Sir, the policy of land revenue settlement is one that has a direct bearing on this Budget and though I am aware that land revenue is a provincial subject, I am compelled to refer to it on the floor of this House because the policy of settlement is really guided by the Government of India. No Provincial Government has been allowed to deal with this question of settlement and to pass Bills regulating the terms of settlement, and the Government of India have up to now held to themselves the power of regulating all Bills on the subject. Now I ask the Honourable the Finance Member to picture to himself the condition of the agriculturist. You take from him the revenue not in kind but in money; and the proceeds in kind are practically fixed, whereas the prices of commodities have fallen terribly. And you ask him to pay in money the same amount which you asked him to pay in previous years, whereas the outturn in money to him of all the proceeds that he is able to get is very much below what he has been able to earn in the past years. Has the Finance Member realised what this means to the agricultural population? And to add to that, the Finance Member comes forward with proposals for raising the Customs duty. It might perhaps have been argued, if that proposal was not before us, that what the agriculturist spends in paying by way of revenue, he saves in the purchase of those commodities which he can get, other than the produce that he himself gets from the land. But even that consolation is not left to him, so that on both sides he is mulcted. Whereas he has to pay out of all proportion to what his outturn is, he has also to get things really at greater cost than otherwise. It seems to me that a very grave crisis has overtaken the agricultural community, and it is a thousand pities that Government have not even bestowed a thought on the position of the agriculturist. Some remedy must be found if the agriculturist is to be redeemed in the coming year. I know his back is broken. He will not be able to pay taxes to Government, and the only remedy for you will be to sell his land and get this money.

Now, Sir, I do not want to examine the taxation proposals of the Honourable the Finance Member because I believe there will be another occasion for doing so, but I want to examine some of the incidental proposals which the Finance Member has made in connection with his Budget. And let me first deal with this military expenditure. My friend, the Leader of the Nationalist Party, and my friend, Sir Cowasji Jehangir, have laid stress on the fact that the military expenditure ought to be much lower than what it is at present. But I should like to place before the Finance Member another aspect of this question and an aspect which he is bound to take into consideration. The Honourable the Finance Member says that there will be a spread-over for three years instead of for one more year as we all understood it would be with reference to the contract amount which this House has so far undertaken to agree to with reference

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to the Budget. Now, if he were to read the Report of the Federal Relations Committee, the Honourable the Finance Member would find there that there is a proposal that when the new constitution is established, a new contract, a novatio is to be entered into between whoever represents the Federal Government at the time and the authorities who are in charge of the defence of this country, notably the C. I. D. of England. The C. I. D. there means of course the Committee of Imperial Defence and not the C. I. D. with which we have been so far acquainted. Now, Sir, I enter a caveat at once and immediately against this proposal of the Finance Member that he can bind this House till 1934 to the amount that he has suggested here. If I understand the Finance Member's proposal, it means that this spread-over will be carried out till 1934. That does not take note of the fact that in the very next year there may be committees sitting which by agreement will come to a contract every year with reference to the Budget, and I do not want anything that we may do here to stand in the way of that new agreement being arrived at by that committee.

Next, Sir, I come to the proposal of the Finance Member with reference to retrenchment. Many Honourable Members have blessed the Finance Member for this proposal of retrenchment. I do not do so. I know that retrenchment committees in the past have sat in the various Provincial Governments and in the Imperial Government, and I know what the result has been; and at this particular time I tell the Finance Member that it is peculiarly inappropriate for a retrenchment committee to sit at all. What is this Retrenchment Committee going to do? Is the policy with reference to any Department open to question by the Retrenchment Committee? Or are they merely to take off a *chaprasi* here and a lower grade clerk there and say that they have effected retrenchment amounting in figures to much less perhaps than the whole cost of the establishment of the Retrenchment Committee? And when policies are not open at this stage to be questioned, when the Government of the country is in the melting-pot, to give way to what we consider on this side a better Government, but at any rate to what all of us must consider as an alternative Government, I ask the Finance Member what he proposes to do with this Retrenchment Committee and how this Retrenchment Committee can effectually work at all? I take it that no serious question of policy will be taken up by this Retrenchment Committee and that policies are not open for examination. I have had experience of the working of retrenchment committees elsewhere and the work of the Retrenchment Committee will be very little indeed. The Finance Member says that we must hammer out a policy of retrenchment which will have lasting effect. How can the policy that you are going to evolve even if you submit it to a retrenchment committee, you who as such will have to disappear in the course of the next 12 months or 24 months at the latest, how can that have a lasting effect so far as the policy of the future Government is concerned? Therefore while I have no objection to a retrenchment committee being appointed as such, let us be in no delusion whatsoever that the work of this Retrenchment Committee is going to be something supreme, something which will bring about lasting benefit, something which will be in proportion to the expectations which may easily be raised in the minds of Honourable Members of the House when the suggestion for the appointment of a retrenchment committee is made. It will simply tinker with the problem; let us make no doubt about it at

all. It will have no power, and even the Treasury Benches cannot invest it with greater powers as they cannot dictate what the future policy is going to be. They have no authority to bind the future Government with reference to any policy of that kind, and I therefore say that this Retrenchment Committee should not be taken into consideration at all as a possible source whereby great savings will be effected in the next year when we consider the Budget of the Government.

Thirdly, Sir, I come to another proposal which the Finance Member has put forward. It relates to the pay and conditions of services. I am glad that the Finance Member has recognised that while the basic rates cannot be affected, other incidental advantages that have accrued from time to time may naturally, legitimately, and without any objection whatever be taken into consideration in revising these salaries. I am one of those who think that the basic rates of those who entered into Government service under a contract and under an expectation ought not to be in any way changed. I am not one of those—I am speaking purely personally now—I am not one of those who believe that Government servants ought to be subjected to the whims and fancies of anybody whatsoever in having their salaries cut from time to time. On the other hand the very talk of cutting the salaries produces a certain amount of anxiety, of disappointment and discouragement which I, for the good of the State, would not have accrue so far as Government servants are concerned. But, Sir, when my Honourable friend, the Finance Member, goes on to suggest that a conference is going to be held of Provincial Governments to revise the terms of future entrants, I again enter my caveat against it. I say that the Finance Member is precluded from entering into that question now. You have no business at this time to tie the hands of those who are going to succeed you, with reference to the scales of salaries of future entrants. Our own proposal is that so far as the present Government servants are concerned, while every right that has legitimately accrued to them should be maintained, while their basic standard should be maintained, there ought to be a sharp distinction made, in spite of obvious anomalies with reference to future entrants in the services. It is the right of the future Federal Government to dictate and to prescribe these scales of salaries; and it is not for you—you who are now, if I may say so without any offence in the position of a company winding up its business—to tie our hands down with reference to what the future scales of salaries of these services are going to be. I am making some point of this because I know what happened when the new dyarchic system of Government was introduced in the provinces. Side by side with the Government of India Act, while Devolution Rules were being framed, while the Local Governments were being asked to assist the Secretary of State in putting forward several rules which the Act contemplated, schemes of retrenchment on the one hand were taken up and schemes of revising the salaries of Government servants were taken up; and when the new constitution came into effect, when the new Governments came into existence in the provinces, when the Ministers had to deal with the subjects which were transferred to their control, they found that crores of rupees were added to the Budgets of the Provincial Governments because the Government which was losing its right over the whole of the services took very early care to see that all those revisions were made before the new Government stepped in. It was a most unfair thing to do. I am not here to indulge in recriminations

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or to rake up the past. But here I want at this very early stage to strike a note of warning and tell you that if you are going to have your Provincial Government representatives up there in Simla to discuss this question, we are not going to accept their decisions; and frankly there is no use whatever in having this Conference.

You are not going to regulate the salaries of future entrants. Within a year or two at the utmost, you are bound to hand over the concern of this Government to a partially responsible Government at least and to allow that Government to revise scales of salaries. What right have you here and now to fix the rates of salaries of future entrants and so make the task of that Government much more difficult than it otherwise would be? Therefore I say that this proposal is an unsound proposal of the Honourable the Finance Member and I trust that he will drop this proposal also.

As regards the income-tax proposals, my Honourable friend, Sir Cowasji Jehangir, has dealt with them and has shown how it will be a drag on the whole commercial community, and how it will be like killing the goose that lays the golden eggs. Whether it is by way of increase of Customs duties in certain cases or whether it is by way of these extraordinary income-tax proposals, I should doubt very much whether the ultimate result will be what the Honourable the Finance Member expects, namely, that large increase of revenue which he thinks at present is going to accrue to him by way of these proposals.

Last year, the Honourable the Finance Member talked of the possibility of establishing an economic council, a suggestion which my worthy friend, Mr. Shanmukham Chetty, made on that occasion: I do not know what became of that proposal; we have not heard any reference to it in the present Budget speech of the Finance Member. Last year a silver duty was imposed and this year the Honourable the Finance Member proposes to increase this duty. I should have liked the Honourable the Finance Member to have given us some more details as regards what the Government of India did with reference to the question of settling the price of this very important commodity. We all know how the price of silver has a very great bearing on the indebtedness of the agricultural population and on their capacity to sustain themselves in times of stress. The hoard of the agriculturist is mainly in the form of silver. My Honourable friend the Finance Member has suggested that some countries made certain proposals which were naturally not agreeable to him as not being in the interests of this country, but may I venture to tell him that at present there have been revived proposals with reference to this question; that the United States have put forward fresh proposals, and that, as we see from the papers, the British Cabinet are considering those proposals, and I want to ask the Honourable the Finance Member one thing; whether he is going to have a share in the consideration of those proposals or whether the Government of India is going to accept something which is done behind its back by the British Government or by the United States of America. We have a very great interest in this matter, both because of the holdings of the Government of India, and because of the fact that many a agriculturist has got his whole hoard in silver, and I trust that the Government of India will not merely have an active share in the settling of whatever proposals finally evolve from this conference, but that they will take some

non-officials at least into their confidence when these negotiations, delicate as they are bound to be, are in progress.

I do not wish to take up more time now, but I will only say that the proposals of taxation which the Honourable the Finance Member has put forward require our very careful consideration when that stage of the Budget comes up.

The Revd. J. C. Chatterjee (Nominated Non-Official): Sir, whatever criticism may be levelled against the Budget presented by my Honourable and distinguished friend, Sir George Schuster, no one can deny that it is a plain straightforward Budget, and that he has put the case plainly and fearlessly. He has told us that we are facing bad times and he has asked for our co-operation, so that we may work together for better times. It is easy to criticise a Budget like this, but it is extremely difficult to suggest anything which could take the place of the taxation which he feels he must impose.

The Honourable gentleman who opened the debate this morning described something of a utopia. He was hoping for a time, or at least he wanted that such a time should be brought in at once, when people in this country should all live at peace with each other, when magistrates and soldiers would work for nothing except for the honour of working, when outside invaders would cease from troubling and when internal dissensions will cease. Everybody would welcome a state of affairs like this. But although I acknowledge Sir George Schuster to be a most distinguished financier, I have yet to discover whether he also lays claims to being a magician or miracle-worker; for such a state of affairs as was outlined by my Honourable friend, a state in which no taxes will be required, can only be brought about by a magician. And being myself neither a financier nor a high politician, it seems to me that I can serve no useful purpose by criticising the Budget or trying to make suggestions as to how these heavy taxes could vanish away in a day. I will only mention one thing, and that is because it hits people like myself—a great many people like myself, and that is, the heavy increase in income-tax which my Honourable friend has proposed on men of average means. I do hope something can be done on the lines of what my Honourable friend, Sir Hugh Cocke, proposed in this matter. I feel that the income-tax laws in this country need a great deal of thinking about and more consideration for the needs of the average man, the man with a large family and the man who has not got an elastic income; and I believe that something ought to be done to lighten his burden because, after all, it is when the shoe really pinches that one realises what hardship means. So that when one feels that in the coming year one has to face double the amount of income-tax out of one's meagre income, one realises how many people are in the same state and how hard it is going to be to have to meet that increase in income-tax and also face the prospect of everything else going up in price. I wanted to say just that one thing so far as the Budget is concerned.

I think I will follow the example of my Honourable friend, Rai Bahadur Harbilas Sarda, and say something about the needs of my own small province, a thing which I have done year after year, but unfortunately with very little result. But I put it to you, Sir, since you are a citizen of this city, at least for a time, that the claims of this province and this city do

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deserve a certain amount of consideration at the hands of yourself and of Honourable Members of this House, and above all from those who have the power to give us what we believe is the right of this province and the people of this city. Take for instance the question of administration. It is well known that, like the province of Ajmer, this province of Delhi has no representative Council, and when these discussions about the new constitution were being broached, when the Government of India were preparing a despatch and when the Simon Commission were here, various attempts were made by the people of this province to obtain something on the lines of what the rest of the country was going to get. Before I say anything, I think it is only fair that I should pay my tribute to the extreme good fortune of this province in having Chief Commissioner like the Honourable Sir John Thompson. I believe no province could have a better, more sympathetic or able governor. At the same time I would also acknowledge that we have a Deputy Commissioner and a Chairman of the Municipality whom any city would be proud to have. But all the same good government is not self-government. It may well be asked what is the best form of government. I am not quite sure whether benevolent autocracy is after all not a better form of government than democracy. But still, as my Honourable friend Nawab Sahib Sir Abdul Qaiyum has so often said, my point is that what is considered good for the rest of India, as he would say, should be considered good for the Frontier Province. And, arguing on the same lines, I maintain that if it is decided that India should have democracy and self-government, it is not a vain claim to ask that this city, where you, Sir, live yourself and where the Government of India live part of the year, should also have something in the way of representative government . . .

Mr. N. M. Joshi (Nominated Non-Official): Who will pay for it?

The Revd. J. C. Chatterjee: Who will pay for the Frontier Province? I am not concerned with who is to pay. We do not want a very expensive form of government . . .

Mr. N. M. Joshi: But we are concerned.

The Revd. J. C. Chatterjee: What we complain about is this; that neither the Government of India in their despatch nor the Simon Commission, nor, so far as I know, in anything that was said in the Round Table Conference discussions, was any attempt made or any kind of arrangement suggested by which Delhi was to have any kind of representative Council or any advance in that direction. My friend Rai Sahib Sarda has informed me that we are to have two Members in the Legislative Assembly. I rather doubt it. I am rejoiced to hear that statement; I had not heard it myself, but hope it is true.

Rai Sahib Harbilas Sarda: That is the recommendation.

The Revd. J. C. Chatterjee: But it has not been accepted so far as I know, I hope it is true; but even then it does not give us a representative form of Government. What we desire is, just as the Frontier Province desires, to have a Council. I wish the Frontier Province all good fortune, but I feel that we should also have something on those lines.

Nawab Sir Sahibzada Abdul Qaiyum (Nominated Non-Official): Delhi being the Imperial City and the seat of the Imperial Government, you are the Government of India yourself? Why do you want a Council?

* **The Revd. J. C. Chatterjee**: At all events, I think, that a beginning should be made, and we ought to have a Corporation for this city. Even this city of Delhi is divided into three small municipalities, so why should we not have a corporation embracing all the three parts?

Mr. R. S. Sarma (Nominated Non-Official): With a paid Chairman?

The Revd. J. C. Chatterjee: Yes, the New Delhi Municipality is going to have a paid Chairman, so why should we not have a Corporation?

Now, Sir, one instance of the indifference and apathy of Government towards us is seen in the way that they have not done anything for providing suitable communications between old Delhi and New Delhi. Is it not surprising that this city lies within three miles of the old city and yet we should not have any communications in the way of bus or tram service? Sir, proposals have not been lacking. They have been made by various firms and by various people, but Government have shown complete indifference to them, and now the only method for those who do not possess cars is to go in tongas or in ekkas or slow moving vehicles. That is one of the first things that require attention.

Next in importance comes the question of the improvement of slums. I have voiced forth that feeling here year after year. His Excellency the Viceroy himself visited our slums, and from what I understand, he said he was extremely shocked at the conditions there, and he desired that something should be done to alleviate the distress of those people living in the slum areas. Now, Sir, schemes of improvement there have been in abundance. Every year the Municipality is asked to furnish a five years programme, but nothing has so far been done. Then again nothing has been done to provide for city extension. Improvement in this direction is very necessary. The difficulty has increased mainly because the Government of India have founded New Delhi on one side, and the Kingsway settlement on the other side, and all our natural spaces for extension have been taken away. With a river blocking us one side, New Delhi on another and Civil Lines a third side, we cannot expand in any way. The Municipality went down on its knees and again and again begged Government to give them a certain amount of land which it is held belongs to New Delhi so that the poor people might build outside the city wall model tenements and dwelling houses. These schemes have been urged again and again, and nothing has so far been done. Money has not been provided, and for one reason or another the authorities in charge of New Delhi have stood in our way in getting any land out of the hundreds and thousands of acres that lie between this city and the old city.

Then again, Sir, take the question of public health. Any amount of money is poured out on the new city to improve the amenities of life. It has got the most wonderful bungalows, smiling gardens and great buildings, and it has had a wonderful inauguration. Sir, all that I do not grudge. I think it is something that India should possess so beautiful a capital. I share the pride in possessing so beautiful a city. But does it follow that the city which is next door, which has three hundred thousand people compared to the 30,000 and odd of the new city, should have none of these amenities? I wonder, Sir, if you are

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aware that a short time ago an inquiry was conducted by the Public Health Department, together with the Municipality, into the causes of high mortality in the city of Delhi, and it was found that because of the great congestion the city was reeking with tuberculosis. Various schemes were put forward for the arrest and treatment of this terrible malady. Now so many years have gone by, and Government have not provided a penny towards it. Are you aware, Sir, that there is not a single hospital in this city which specialises or makes adequate arrangements for the arrest or the treatment of tuberculosis in the earlier stages of this fell disease? Proposals have been put forward, even plans have been made, for the construction of a tuberculosis sanitarium for the treatment of cases in the earlier stages, somewhere between Old Delhi and New Delhi, and yet nothing has been done. More than that, Sir, are you aware that in the old city of Delhi which, as I said, has a population of over three hundred thousand, there is nothing like an infectious diseases hospital? Considering the number of people who come here, the only facilities that exist for the treatment of infectious cases, are two little godowns which once belonged to the Municipality and because no longer fit to be used as such, they have been turned into a hospital. Sir, I could go on citing example after example to show how the Public Health of this city has been neglected, how this question has been treated with apathy; but I do not propose to multiply instances.

Then again, Sir, take the question of education. I begin from the top. We have got an institution called the University of Delhi. I was gratified to find the amount of interest that was taken by this House when they were asked to elect two Members on the Court of the University. But, Sir, is that interest enough? It is for the House to take a special interest in the University, because it was created by an Act of this House. That University was created with very high aims and with very high ideals. We were told that we were going to have a unitary and teaching university such as would be an ideal and an example for the other universities in this country. What has happened, Sir? All that we have secured within these ten years is perhaps two or two and half University Readers, who do a certain amount of teaching in the colleges, and a university office still in rented buildings which has to go from one building to another until it is turned out by the landlord. That is what our university at present amounts to. Four years ago I think—I am not absolutely certain of the date—but almost four years ago, a Committee of inquiry was set up to inquire into the needs of the University of Delhi. I believe that Committee, after a certain lapse of time, presented its Report. I ask, Sir, what action has been taken on that Report? We have been vaguely told that scheme after scheme for the improvement of the University has been made, but I have not heard of anything being done in practice. The University still remains practically a toy, and it seems to me that it is not a toy worth playing about with, because those who took a great interest in its initial stages seem that it is not worth playing with. Sir, I ask if this University is to be maintained, it must be either mended if it can be mended, or if it cannot be mended, it would be better to end it.

The same thing can be said about secondary and primary education in this small province. We have had for many years what is called a five years' programme. A five years' programme has been worked out, and

at the expiry of each period of five years it is re-worked out. Schemes were put forward for the establishment of new schools for the introduction of compulsory education, but there is nobody to work that programme, and it has never been worked. Moreover funds are not provided for carrying out the programme. I ask, Sir, is it just and right that at least in this New Delhi, where so many educated people live, and which ought to be the centre of light and civilization, compulsory education has not yet been enforced? Not only that. There are hardly more than two primary schools in this city, and people cannot get their children into schools, because there is no space. Villagers all round Delhi are quite ripe for the enforcement of compulsory primary education, but no funds are forthcoming. That is the state of affairs under the very eyes of the Government of India. I ask, when people probably envy our luck for having been elevated into the capital city of India, do they realise that we have gained very little, probably lost more? Sir, these are the things that I want to bring to your notice. I hope that the scarcity of funds will not be urged, as it is always urged, by way of excuse for not giving us money for the nation-building departments.

Take, again, the fact that while our province remains so small the condition of our youth is in some ways very unfortunate. They are not able to get admission to any professional colleges. If we want to send them to the Engineering College at Roorkee, we are told that they do not belong to their province. If our boys want to go to the Medical College at Lahore, there, again, admission is most woefully restricted. Some time ago, the Municipal Committee of Delhi made representations to the Government saying that none of the students of Delhi are ever able to get admission into the Sub-Assistant Surgeon class, a most useful body of public workers who are really required by the general population. After some representation, the Medical School at Amritsar agreed to reserve three places for the province of Delhi, but they said that the cost of education of those three men should be borne by the Delhi Administration. Now, that was a fair demand from their point of view, and, of course, the money would have to come from the Central revenues, because Delhi has not an independent Budget of its own. But what happened? Government said that they were not able to find even these few hundreds of rupees which would give the city a chance of getting three Sub-Assistant Surgeons trained each year. The same thing happens in other professional colleges. And even when the men come out of the colleges, they cannot get admission into the provincial and other services in other provinces. There is no separate cadre in Delhi. Our cadre is recruited from the United Provinces and the Punjab, and officers come from there, as they naturally would. But when a young man of Delhi tries to seek admission into any of the posts outside, to any of the services, he is turned down because of local prejudice being against him. I quite understand it. The services being as full as they are, the other provinces want to get in their own men, but I ask what is going to happen to our young men in Delhi? They cannot get professional education, and even if they do get professional education somewhere, what is the prospect that they have before them? All this points to one solution, namely, that Delhi ought to have a reasonable sized province of its own, where its people could have scope for their legitimate aspirations and ambitions, failing that it should be merged into either the Punjab or the United Provinces. Probably, the whole thing turns on that, because at present we must have a major admi-

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nistration which is able to look after its people, and with a major administration, will also come the benefits or otherwise of democracy and self-government.

Mr. B. V. Jadhav (Bombay Central Division: Non-Muhammadan Rural): Sir, I offer my congratulations to the Honourable the Finance Member for what he calls a balance Budget, which he has submitted to this House. The deficit, according to him, was about Rs. 14 crores, and he proposes that that amount should be made up by increased taxes on income and also by increased Customs duties. But, I may point out that he has taken credit for Rs. 5 crores and odd from the Railway Budget, and as this House well knows, the railways have not made any profits this year, and the five crores of rupees which the Railway Budget has to pay to the General Budget is to come out of the savings of past years. As the sum of five crores has not been earned this year, the total deficit, so to say, comes to about Rs. 19 crores, out of which Rs. 5 crores is taken from the savings. So that, the Budget is really not a balanced Budget, as it takes credit for Rs. 5 crores from savings. This state of things is to continue next year also because the Railway Administration do not expect to make any profits even this year, and another Rs. 5 crores will be paid out of the balances towards the general revenues. I congratulate the Honourable the Finance Member for not covering the expenses by borrowing as some Provincial Governments appear to have been doing this year.

Sir, although the Honourable the Finance Member makes a very great virtue of having brought about retrenchments, and also wants to earn the goodwill of this side of the House by the promise of a Retrenchment Committee, I beg to submit that this House should not accept such a bait. The bait, of a Retrenchment Committee is very enticing, I may say, and many of us may be induced to nibble at it. The result will be that those who are to put on that Committee will perhaps come to admit by the sweet words and the phalanx of figures that will be marshalled before them by the heads of Departments, that no retrenchment is possible without sacrificing efficiency and good government and what not. In that way those Members of this House who will be on that Committee may perhaps turn themselves into advocates and support the high expenditure of Government and may not be of much use in the cause of real economy. I ask the Honourable Member not to press this proposal of a Retrenchment Committee. Members on this side of the House will not be able to point out where to apply the scissors, and therefore their deliberations will be abortive and of no practical value. It is the Government who ought to know where the retrenchment can be effected. The present administration may be very efficient, and all the various departments and the officers that are occupying the various offices may be very necessary from the point of view of the modern system of government. But at the same time, I may point out that India is a poor country and cannot afford this highly expensive administration. Therefore, even if there be some little loss of efficiency, retrenchment has become necessary and the Government ought to put their shoulder to that work. They cannot expect the Honourable Members on this side of the House to help them in that respect. The Government have got adequate knowledge. I may venture to point out that for that purpose they should

take into consideration the number of Departments and offices and officers who were in existence when the reforms came into operation in 1921, and also similar statistics for the year 1923, and compare that with the present number of officers in the various Departments. These Departments have been growing from year to year, and fat jobs have been found for persons who are now holding certain offices. Department after Department has been created and the expenditure of Government has been growing from year to year. As I pointed out, India is not a country which can afford all this expenditure. It is admitted on all hands that the services in India are more lavishly paid than the corresponding services in any other part of the globe. Even in England the officers are not paid so lavishly, although England is a very rich country and India is poor. Not only that, but at the time of the Montagu-Chelmsford reforms, new offices were created and different sources of expenditure were explored and found out. I may point out from my experience of the Bombay Presidency how these expenses are gradually piled up. As an instance, the Government of Bombay was carried on by the Governor with the assistance of three Executive Councillors in 1920. In 1921, when the reforms came into operation, their number was at once increased to 7,—4 Executive Councillors and 3 Ministers.

(At this stage Mr. President vacated the Chair, which was taken by Maulvi Muhammad Yabub.)

One may wonder what was the justification for these additional men. The work in the previous year was done by only three men and at least half of that work was transferred to the three Ministers that were newly appointed under the reforms. The remaining work was distributed among four Executive Councillors. The excuse for additional Councillors was that the Indian Civil Service had certain expectations of promotion and those expectations had to be kept up. Under this pretence, heavy expenditure was saddled upon that Government. I give this as an instance of how things have been going on, and although there has not been enough work for all of them and the work could easily be done by two, the full strength is kept up up to the present time and even in this year of deficit Budget, the Government do not think of retrenching any of the posts. In the same way, I presume there are certain offices in the Government of India also, which can be retrenched without any serious loss of efficiency and Government ought to take care to see that real retrenchment is effected. My friend, the Member from Bombay, Sir Cowasji Jehangir, has already pointed out how the retrenchment of 1.75 lakhs in the Army Budget has been brought about. In fact, it is no real retrenchment at all, and every one on this side is not satisfied with that amount of retrenchment. Even if we grant, for argument's sake, that there has been retrenchment of 1.75 lakhs in the Army estimates, we on this side say that that is not enough. The Army can afford at this critical time a larger saving for the benefit of the general revenues. I am quite sure that if the Honourable the Finance Member and the Commander-in-Chief will sit together with a desire to effect real retrenchment in the Army estimates, they will very easily be able to show a substantial reduction in expenditure. There is no other way in which retrenchment can be effected. Financial stringency is a disease which is an epidemic at this time in all the countries of the world and what are the remedies that have been prescribed to combat it? In Italy, there has been a general cut of about 10 to 12 per cent. In England also I learn that there has been a general cut. Yesterday, I

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read in the papers that the Parliament of Australia have adopted a Resolution calling upon the Federal Governments drastically to reduce the cost of government and relieve the industries of their statutory burdens and reduce the interest charges. Some such Resolution ought to be passed on this side of the House and the Government should respond to the request of this House in effecting some such very severe cuts. I need not

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say anything more about high salaries that have been given and about the increments that were made under the recommendations of the Lee Commission. That has become almost a scandal, and Indian people are very dissatisfied with the heavy burdens that were laid on them, which are not at all necessary, now that the prices of commodities have gone down so much. Government should also consider this aspect. At the same time I agree with my friend from Madras that promises once given should be kept up and therefore I call upon the various services to come to the help of poor India in this financial crisis and accept a cut of their own free will. As regards the heavy burdens that have been laid upon the people under the scheme of the Finance Member by his proposal to raise the Customs duties and enhance the income-tax, I may point out that some of the items are going to affect very poor people. Small merchants, who were not doing well during the past year or two and whose condition may not improve in the immediate future, will have to be afforded some relief. That will be very necessary for them. The Finance Member has not effected any retrenchment and he has been trying to make up the deficit by a levy of additional taxation. As has been pointed out by the previous speakers, that taxation is already very heavy and the proposed addition will add to the burden and will leave no room for future expansion under the new Government that is promised us in a year or two.

Sirdar Harbans Singh Brar (East Punjab: Sikh): I feel that I cannot congratulate the Honourable the Finance Member on the new additional taxation that has been put on the already overburdened peasantry of India who have during the last 160 years of British Rule been reduced to skeletons, although I would like to appreciate his services to the elected members of the Standing Finance Committee in the help he rendered us in cutting down and overthrowing certain new items of expenditure, which otherwise we would not have been able to do. As regards Mr. Sher Muhammad Khan's remarks that the words of my friend Mr. Sant Singh insulted the Muhammadan community and that they felt aggrieved, I am very sorry he took it in that light. I think Mr. Sant Singh never meant any insult by repudiating the charge that the Sikhs are bats. We all recognise the gallant services of the Muhammadan community in the cause of the King and the country and have no desire to minimise their importance that every community has its useful function to fulfil and that all communities should co-operate towards that end.

The military service of the Sikhs should not go by the board. The Sikhs contributed in the Great War one-fifth of the total recruited in the Punjab, though they are only $12\frac{1}{2}$ per cent. of the population, and one-eighth of the whole of India where their population is only 1 per cent. They fought in all the important battle-fields of France, Gallipoli, South Africa, the North West Frontier Province, China and so on. And their stake in the country is not inferior to that of any other community as pioneers in agriculture, engineering and in other spheres of life. We must

try to be a nation of some importance, and get the best material for the Army from the different martial communities to fight the battles of the motherland. While you have good material available in India, mathematical calculations should not be adopted for all the communities but the best material from the martial races should be given preference. In the political field we may not always be ruled by the best brains of the nation, because the present party system of Government rules that out of order, but where defence of the country is concerned, there should be no party or communal interests to be taken into account. The quality is the only thing which should matter, and I would demand speedy Indianisation of the Army because enough material is available.

Now, Sir, about the Budget generally, I must say that the Indian peasant is already over-taxed. He is unable to bear any further additions to taxation. The majority of them for some years past have been unable to pay the land revenue charges, and a good many of them do not get even a full meal a day. The produce of the land has gone low, and the prices have come down to nominal sums. Lord Curzon spoke of the little power of resistance of the people of India in a famine. But how can you have resistance when you have low vitality, and you must have low vitality when you have starvation. The lot of the peasants can be bettered by abolishing the land revenue system now adopted and by adopting a system of taxation on income, because now many of them have to pay large amounts of money when they do not get any income from the land. I myself this year had to pay a good many hundreds of rupees while I did not get a penny from some of my lands. This aspect of the question I think needs careful consideration, though it may be pleaded that the land revenue is a provincial subject, but the Government of India governs the policy to a great extent and can influence the provincial decision. Another way of helping them would be by increasing the rural communications and by reducing railway freight rates and by facilities for finding markets for the produce of their land. Another way would be the provision of water lift by electricity and so on, just as the Punjab Government is trying to do. And in years of emergency like the present, I think the Government should try rather to decrease their expenditure instead of increasing it by new taxation. I think, if I may say so without presumption, we all feel about the extravagance of the Government of India; there is ample evidence about that, and there is a strong case for reducing expenditure.

Mr MacDonald, being a representative of the poor labouring classes of England, was naturally struck most by the poverty of the masses and the extravagant character of the administration, and he wrote:

"Nobody who has seen India and the conditions of Indian Government will deny that there is a great extravagance. The European service is extravagant, the conditions under which it rules are extravagant, the cost of Simla, Ootacamund and other hill stations is extravagant, the expenditure on official residences and other paraphernalia is extravagant. Nine-tenths of the charge of the Army in India is an Imperial charge. Canada, South Africa and Australia should bear it as much as India. It is a piece of most bitter cynicism to find the Imperial doors of our colonies shut in the faces of these poor people who bear such an inordinate share of the cost of Imperial maintenance and at whose expense these Dominions are protected from the fear of war.

The personal extravagance of our rulers and officials can be seen by the eye . . . When there is no personal extravagance, every Englishman employed to do work for which an Indian is fitted is a burden upon the Indian tax-payer."

[Sirdar Harbans Singh Brar.]

I submit, Sir, that the system of overseas pay and passage allowances is extravagant when you bear in mind the enormously high salaries of the officials. America is perhaps the richest country at present, but what do the members of her Cabinet get? The Chief Minister, the Secretary of State in the United States Cabinet gets only £2,500 a year. What does the German Federal President get? £6,000 a year, and Ministers of the Cabinet get much less. And what do our Members of the Government here get, not to speak of the pay of the Governor General, who is the highest-paid official in the world? The Under Secretaries in the British Government and certain Ministers of the Cabinet get about £2,000 and £2,500 a year—and here there are Deputy Commissioners and Sessions Judges in their hundreds and thousands, Assistant Secretaries, Joint Secretaries and so forth who get sometimes double and treble of the pay of these Ministers and Under Secretaries in England and other European and American States. Even the British Cabinet agreed to a reduction in salary in the case of its members, but nothing is considered desirable in India. The whole system of administration needs complete overhauling and thorough and searching inquiry. Now as regards a Retrenchment Committee, what the Incheape Committee did, the Lee Commission undid, and we have to be careful about that. The Retrenchment Committee will not be able to do anything unless the railway expenditure and the army expenditure are brought under its review, because the extravagance of the two Departments is very high. To spend a single pie of the public purse beyond the absolute minimum of necessity is a dereliction of duty and a breach of sacred trust for which we cannot find a parallel. Lord Morley had remarked that, "The moral and intellectual conditions are not the only motive forces in a community, nor are they even the most decisive. Political and material conditions set the limits at which speculation can do either good or harm". And I think now that limit is reached, when the political and material conditions of India have fixed that limit where speculation can do only harm, and it is time that the Government should take heed of it lest the harm is done.

Any more taxation on the poor people of India will do harm rather than good. By inflicting this new taxation you are not turning the non-co-operators into co-operators but the co-operators into non-co-operators. It is time that you took heed of it lest the harm is done.

The question now on all these accumulated matters is whether you will choose to abide by profitable experience or a mischievous theory, whether you will choose to build on imagination or facts; whether you prefer enjoyment, or hope for satisfaction among your subjects or discontent.

Mr. Jagan Nath Aggarwal (Jullundur Division: Non-Muhammadan): Sir, in order to appreciate the full extent of the gravity of the financial situation, you have to take your mind back to the last year's Budget which the Honourable the Finance Member introduced. At that time he was faced with a deficit of $5\frac{1}{2}$ crores and he budgeted for a surplus of 86 lakhs. Additional taxation was proposed to provide for the $5\frac{1}{2}$ crores and custom duties and income-tax were raised. The net result of all that has been that, in spite of these additional duties, we are worse off by 13.56 crores. The net result of all the duties imposed has been that, owing to

the world depression, economic causes, the civil disobedience movement and many other factors, we have got to face a deficit in the last year's estimates. When the present financial statement is presented we have a still sorrier picture. We have for this year, according to the Honourable the Finance Member, to provide for a loss of practically 18 crores odd, out of which by retrenchment he provides 4 crores odd and the balance 14½ crores is met by additional taxation. In all conscience it appears that nearly 20 crores of rupees have been provided for by additional taxation within these two years. At a time when there is economic depression, and there is loss of wages and of all incomes, this deficit will affect everybody in the country. Now, how do we find the Honourable the Finance Member meeting the situation? We find, in the first place, that there is an attempt to reduce the Military Budget. A word with regard to this. We find that practically this Military Budget has been stabilised at 55 crores. We have extended the present provision for a year more and we just get a few lakhs. Taking all factors into consideration, we find that the reduction is mostly due to the fall in prices. There is, in fact, no real reduction in the Military Budget because it has been stabilised at that figure and is beyond the control of the Finance Member. The reductions that are mostly summarised on page 23 of this Memorandum are practically attributable to the fall in prices, so that we are practically where we were. In this connection, I might as well draw the attention of the House to what has been said by the Simon Commission on this subject of the military expenditure. In Volume II of the Simon Commission's Report we find the following on page 216:

"An outstanding feature of this summary is the high proportion (62½ per cent.) which current expenditure on defence bears to the total expenditure of the Central Government—a higher proportion in fact than in any other country in the world."

Then, further on, they say:

"But apart altogether from the question of other forms of expenditure in India, the defence charge is undoubtedly high. A recent comparison of the military expenditure of the nations of the world shows that in this respect India is seventh on the list among the Great Powers" (and that I submit without being a Great Power or any Power at all) "and that her expenditure on armaments is between two and three times as great as that of the whole of the rest of the Empire outside Great Britain. Again, the total is not only high in itself and as compared with other countries, but it has also greatly increased as compared with the pre-war situation. India, in fact, has not obtained any relief from the greater sense of world security, which has succeeded the World War. On the contrary, her defence expenditure has risen even after allowing for the rise in prices and has grown more rapidly than in other parts of the Empire. This is apparent from the following figures quoted by Mr. Jacobsson in the summary already mentioned:

Great Britain's expenditure is increased by 48 per cent., India's by 100 per cent. and that of the Dominions by 33 per cent."

I submit with all respect that in a matter of this kind when the Military Budget was stabilised at 55 crores at a time when the prices were high, real economy was possible in various directions as has been suggested from the various quarters of the House.

I would like to say one word with regard to a matter to which we may look forward with some gratification. That is the question of the Indianisation of the Army. In spite of what had been urged in this House and outside, the Indianisation of the Army was as distant an event as ever. The recent announcement by His Excellency the Commander-in-Chief in the other House has, however, made it a question of practical politics.

[Mr. Jagan Nath Aggarwal.]

We find now that a real effort is going to be made to start an Indian Sandhurst and to take steps to Indianise the Army within a reasonable time. That is a matter for gratification, and we are all indebted to the Army Department for what they have promised to do in this connection. In this connection a suggestion was made by a Member who comes from my province with regard to the claims of the military classes. This question of military classes if it had come from any other Member would have been left severely alone as being one of those fallacies that are often paraded in this country. But coming as it does from an Indian who belongs to my province, it requires more than a passing notice. We know of castes: Manu graded them into four. But if this is intended to be a fifth one, certainly I must object to it. If my friend's point is: Here are the military classes that have supplied men to the Army, and that they are more fitted for the army of the future, by all means take them, and we value their assurance that they will be there in larger numbers. They are welcome to it. But if he maintain that, because they are now in the army which is raised by the British Government, therefore more posts should be reserved and earmarked for them, otherwise India will not have a proper defence, then I beg to differ from him. There is no point in this, because the army of the future is not going to be the army of the martial classes and so on and so forth. The whole nation is going to bear the burden. So far as any exclusive claim to military traditions and so forth is concerned, may I remind my Honourable friend opposite that, before the Punjab was annexed, the British conquered the rest of the country without the help of the Punjabi Mussalmans? Was it not with the help of classes other than those coming from the Punjab that the British Government fought with the Mahrattas and also conquered Bengal? They also fought Tippu Sultan and various other rival powers in this country without the help of the Punjabi Mussalmans. Therefore we should not make much of these military classes who seem to have a monopoly of military posts and seek to debar the rest of the population from coming in.

One word, Sir, with regard to the retrenchment on the civil side. Here also, Sir, except with regard to the retrenchment in minor matters, such as the abolition of a few chaprasis' posts, stationery and so on, we do not find any evidence of retrenchment on any satisfactory scale. One might as well have taken note of the fact that the remuneration of the services had increased considerably owing to the recommendation of the Lee Commission and other Commissions due to the rise in prices. But since the prices have come down, since the fares have been reduced, since the shipping companies are not charging as much as before, it was time at any rate that these concessions which have been extended to these services, and other heavy charges, were done away with. But we find nothing of the kind. That is a very unsatisfactory matter. On this topic one is almost grateful to Providence, one might say, for a windfall which the Honourable the Finance Member had and one is happy to find that he made use of it for civil aviation. Out of this windfall of 54 lakhs, he made provision for civil aviation, by means of which Government would be running an aerial service for carrying of mails and passengers from Karachi to Delhi and from Delhi to Calcutta and this will include the lighting up of the way from Karachi to Delhi. Details of this were supplied to us in

the Finance Committee, and I am very happy indeed that this windfall has enabled the Honourable the Finance Member to make this provision and as a part of which we also learn that arrangements have been made to take Indians as pilots in the service.

Now, Sir, the Honourable the Finance Member drew cheers from this side of the House by the mention of a Retrenchment Committee. I am afraid, Sir, I am not one of those who are very enamoured of these retrenchment committees. The Retrenchment Committee is supposed to consist of five persons chosen by this House without any outside expert and without any wide terms of reference. I am afraid, Sir, this Retrenchment Committee would be like a Committee which would be asked by the Honourable the Finance Member to peep into his whole financial machine, into his financial house and be able either to say ditto to the suggestions of the Finance Department or make some paltry cuts here and there. I submit the gravity of the situation demanded a much more drastic remedy, something in the nature of another Incheape Commission to go into the expenses not only of the Central Government but also of the Provincial Governments as well. You cannot pay an all-India service man differently in the centre than in the provinces and have different scales of pay for him. This is a very important question which should have been tackled properly.

Now, Sir, coming to the taxes that have been imposed, one or two items require a little notice. Additional duties have been proposed on sugar and silver. These two commodities suffer at present from over-production, as it were. There is more sugar in the world than we want and more silver than we want. With regard to the silver duty, last year the Government of India levied an additional duty. My Honourable friend finds people have borne very cheerfully the last year's duty and so he has added more. What is the situation? This silver duty is a very ticklish affair, because you are creating an artificial price in this country for people who want to buy silver. Now, as a matter of fact the position is this, people buy silver in this country. It is practically their hoarding and their ornaments and in times of distress they bring it back to the market and dispose of it. It is, so to say, their savings bank department without any interest. The Government hold silver in their coffers and they now want to get rid of it. The position is, by levying this duty, you are raising the price of silver. The Government will be finding a better market to dispose of their surplus silver and in a year or two, the duty will be taken off and the man who had bought his silver will find the prices have come down by the amount of duty or a little more so that all his hoardings would be lower in value by the amount of duty. This is very unfair to the poor man.

An Honourable Member: It will appreciate.

Mr. Jagan Nath Aggarwal: I do not know. My Honourable friend suggests it will appreciate. The duty having gone down and the production of silver being more than what could be ordinarily consumed, this artificial increase in value will disappear. Government will have got rid of its stock. This poor man has no means of raising the price.

Now, Sir, with regard to sugar, the duty is, one might say, terrible. It has added in all Rs. 7-4-0 a cwt. Now, Sir, the cost of the commodity from outside is in the neighbourhood of Rs. 4 odd and we levy more than the cost price in the way of duty. Now, Sir, my Honourable friend has

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placed in our hands the Report of the Tariff Board and we find therefrom that they propose for a period of 15 years a measure of protection for the sugar industry and they provide various other schemes and make various other suggestions for the improvement of the sugar industry, principally the various varieties of cane which would yield a large amount of juice and up-to-date methods of making sugar. Now, Sir, we have to pay about 9 crores odd for the sugar that we import and consume. If the net result of this duty was to get rid of this foreign import and to keep these 9 crores of money in this country, I would not have any grievance. I am sorry to find that with this artificial bar that we are raising in the way of sugar, no attempt has been made to deal with the problem as a whole. We are neither in the advantageous position of a modern country, providing for making sugar in a central place having most up-to-date machinery and so on, just as the Java people are doing, nor have we the old fashioned attempts being brought up-to-date and having the sugar making plant distributed all over the country wherever cane is produced. Therefore we are taking no steps under this head to do away with foreign competition that we are having, with the money that we are raising from sugar. We find that the area under cane in India is sufficient to supply all the cane sugar that we need for normal consumption.

Now, Sir, passing from this topic, we come to the most troublesome tax that has been imposed, that is income-tax. From the Memorandum that was supplied to us, we do not know whether it was deliberately intended or whether it was by accident, we do not find the full weight of income-tax increase disclosed that is felt by the people. The House will notice at page 46 of the Memorandum supplied to us by the Financial Secretary, we have a scale of increase in income-tax. The man with Rs. 2,000 income previously paid Rs. 52, but now he will pay Rs. 93 odd, an increase of Rs. 41, which means something like 79 per cent. increase. Now, Sir, the Rs. 5,000 man will similarly pay an increased tax of 83 per cent. more, that is from Rs. 156 to Rs. 286. The Rs. 10,000 man will pay similarly from Rs. 468 to Rs. 729, an increase of 64 per cent. and so on. The increase in income-tax is thus very high indeed. The increase is something from 43 per cent. to 79 per cent. Now, Sir, in these years of trade depression, when business of all kinds is very dull, the demand of the House is that salaries should be brought down, because the salaried man with a fixed salary is better off owing to the slump in prices of commodities. The Honourable the Finance Member has gone one step further. He has taxed everybody, whether his income was stationary or whether his income was bad, he has to pay income-tax, everyone on that scale. I submit this income-tax touches the middle classes, the ordinary classes, very severely indeed. The increase in the income-tax is unprecedented. It was remarked in one of the newspapers that this was a Swadeshi Budget, but I am afraid it is nothing of the kind. It is no Swadeshi Budget. It is a Budget which deals only with two things, with Customs and with income-tax and this Budget, if I may say so, hits the urban classes, it hits the middle classes, and certainly should not be to the interest of anybody to tax those classes very severely at a time when they are already feeling the pinch of the fall in wages, unemployment and distress on all sides. One can naturally ask why things like matches and tobacco, which are the sources of revenue should have been left by the Honourable the Finance Member without any tax. As it

s, what do we find? We find additional duty on kerosene and on various articles of daily use. We find that everything in the family budget of the ordinary householder has been touched.

(At this stage Mr. President resumed the Chair.)

The only thing that has not been taxed is that you can conveniently lie. If you want to live, you have to pay taxes all round, but you can lie in peace and that is the only thing.

An Honourable Member: Death duties.

Mr. Jagan Nath Aggarwal: That has not come in yet, but it may come. At present the only thing that you can do without being taxed is to die in peace. I am afraid, Sir, one cannot see much virtue in a situation like this, but I am sorry to find that the Finance Member has hit the middle classes very severely indeed.

STATEMENT *RE* RESULT OF CONVERSATIONS BETWEEN H. E. THE VICEROY AND MAHATMA GANDHI.

Mr. President: Order, order.

Gentlemen, the Honourable the Leader of the House has handed over to me a statement issued by the Governor General in Council regarding the results of the conversations between His Excellency the Viceroy and Mahatma Gandhi. I am sure Honourable Members will be anxious to know the terms of this settlement and I therefore propose to read them out to you:

"(1) Consequent on the conversations that have taken place between His Excellency the Viceroy and Mr. Gandhi, it has been arranged that the Civil Disobedience Movement be discontinued, and that, with the approval of His Majesty's Government, certain action be taken by the Government of India and Local Governments.

(2) As regards constitutional questions, the scope of future discussion is stated, with the assent of His Majesty's Government, to be with the object of considering further the scheme for the constitutional Government of India discussed at the Round Table Conference. Of the scheme there outlined, Federation is an essential part; so also are Indian responsibility and reservations or safeguards in the interests of India, for such matters as, for instance, defence, external affairs; the position of minorities; the financial credit of India, and the discharge of obligations.

(3) In pursuance of the statement made by the Prime Minister in his announcement of the 19th January 1931, steps will be taken for the participation of the representatives of the Congress in the further discussions that are to take place on the scheme of constitutional reform.

(4) The settlement relates to activities directly connected with the Civil Disobedience Movement.

(5) Civil Disobedience will be effectively discontinued and reciprocal action will be taken by Government. The effective discontinuance of the Civil Disobedience Movement means the effective discontinuance of all activities, in furtherance thereof by whatever methods pursued and, in particular, the following:

(1) The organised defiance of the provisions of any law.

(2) The movement for the non-payment of land revenue and other legal dues.

(3) The publication of news-sheets in support of the Civil Disobedience Movement.

(4) Attempts to influence civil and military servants or village officials against Government or to persuade them to resign their posts.

(6) As regards the boycott of foreign goods, there are two issues involved, firstly, the character of the boycott and secondly, the methods employed in giving effect to it. The position of Government is as follows. They approve of the encouragement of

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Indian industries as part of the economic and industrial movement designed to improve the material condition of India, and they have no desire to discourage methods of propaganda, persuasion or advertisement pursued with this object in view, which do not interfere with the freedom of action of individuals, or are not prejudicial to the maintenance of law and order. But the boycott of non-Indian goods, (except of cloth, which has been applied to all foreign cloth) has been directed during the Civil Disobedience Movement chiefly, if not exclusively, against British goods, and in regard to these it has been admittedly employed in order to exert pressure for political ends.

It is accepted that a boycott of this character and organised for this purpose will not be consistent with the participation of representatives of the Congress in a frank and friendly discussion of constitutional questions between representatives of British India, of the Indian States, and of His Majesty's Government and political parties in England, which the settlement is intended to secure. It is, therefore, agreed that the discontinuance of the Civil Disobedience Movement connotes the definite discontinuance of the employment of the boycott of British commodities as a political weapon and that, in consequence, those who have given up, during a time of political excitement, the sale or purchase of British goods must be left free without any form of restraint to change their attitude if they so desire.

(7) In regard to the methods employed in furtherance of the replacement of non-Indian by Indian goods or against the consumption of intoxicating liquor and drugs, resort will not be had to methods coming within the category of picketing, except within the limits permitted by the ordinary law. Such picketing shall be unaggressive and it shall not involve coercion, intimidation, restraint, hostile demonstration, obstruction to the public, or any offence under the ordinary law. If and when any of these methods is employed in any place, the practice of picketing in that place will be suspended.

(8) Mr. Gandhi has drawn the attention of Government to specific allegations against the conduct of the police, and represented the desirability of a public enquiry into them. In present circumstances, Government see great difficulty in this course and feel that it must inevitably lead to charges and counter-charges, and so militate against the re-establishment of peace. Having regard to these considerations, Mr. Gandhi agreed not to press the matter.

(9) The action that Government will take on the discontinuance of the Civil Disobedience Movement is stated in the following paragraphs:

10. Ordinances promulgated in connection with the Civil Disobedience Movement will be withdrawn.

Ordinance No. 1 of 1931 relating to the terrorist movement does not come within the scope of the provision.

11. Notifications declaring associations unlawful under the Criminal Law Amendment Act of 1908 will be withdrawn, provided that the Notifications were made in connection with the Civil Disobedience Movement.

The notifications recently issued by the Burma Government under the Criminal Law Amendment Act do not come within the scope of the provision.

12. (i) Pending prosecutions will be withdrawn if they have been filed in connection with the Civil Disobedience Movement and relate to offences which do not involve violence other than technical violence, or incitement to such violence.

(ii) The same principles will apply to proceedings under the security provisions of the Criminal Procedure Code.

(iii) Where a local Government has moved any High Court or has initiated proceedings under the Legal Practitioners' Act in regard to the conduct of legal practitioners in connection with the Civil Disobedience Movement, it will make application to the Court concerned for permission to withdraw such proceedings provided that the alleged conduct of the person concerned does not relate to violence or incitement to violence.

(iv) Prosecutions, if any, against soldiers and police involving disobedience of orders will not come within the scope of this provision.

13. (i) Those prisoners will be released who are undergoing imprisonment in connection with the Civil Disobedience Movement for offences which did not involve violence, other than technical violence, or incitement to such violence.

(ii) If any prisoner who comes within the scope of (i) above has been also sentenced for a jail offence, not involving violence, other than technical violence, or incitement to such violence, the latter sentence also will be remitted, or if a prosecution relating to an offence of this character is pending against such a prisoner, it will be withdrawn.

(iii) Soldiers and police convicted of offences involving disobedience of orders—in the very few cases that have occurred—will not come within the scope of the amnesty.

14. Fines which have not been realised will be remitted. Where an order for the forfeiture of security has been made under the security provisions of the Criminal Procedure Code, and the security has not been realised, it will be similarly remitted.

Fines which have been realised and securities forfeited and realised under any law will not be returned.

15. Additional police imposed in connection with the Civil Disobedience Movement at the expense of the inhabitants of a particular area will be withdrawn at the discretion of local Governments. Local Governments will not refund any money, not in excess of the actual cost, that has been realised, but they will remit any sum that has not been realised.

16. (a) Moveable property, which is not an illegal possession and which has been seized in connection with the Civil Disobedience Movement under the Ordinances or the provisions of the Criminal Law, will be returned, if it is still in the possession of Government.

(b) Moveable property forfeited or attached in connection with the realization of land revenue or other dues will be returned, unless the Collector of the District has reason to believe that the defaulter will contumaciously refuse to pay the dues recoverable from him within a reasonable period. In deciding what is a reasonable period, special regard will be paid to cases in which the defaulters, while willing to pay, genuinely require time for the purpose, and if necessary, the revenue will be suspended in accordance with the ordinary principles of land revenue administration.

(c) Compensation will not be given for deterioration.

(d) Where moveable property has been sold or otherwise finally disposed of by Government, compensation will not be given and the sale proceeds will not be returned, except in so far as they are in excess of the legal dues for which the property may have been sold.

(e) It will be open to any person to seek any legal remedy he may have on the ground that the attachment or seizure of property was not in accordance with the law.

17. (a) Immoveable property of which possession has been taken under Ordinance IX of 1930 will be returned in accordance with the provisions of the Ordinance.

(b) Land and other immoveable property in the possession of Government, which has been forfeited or attached in connection with the realization of land revenue or other dues, will be returned unless the Collector of the district has reason to believe that the defaulter will contumaciously refuse to pay the dues recoverable from him within a reasonable period. In deciding what is a reasonable period special regard will be paid to cases in which the defaulter, while willing to pay, genuinely requires time for the purpose, and if necessary, the revenue will be suspended in accordance with the ordinary principles of land revenue administration.

(c) Where immoveable property has been sold to third parties, the transaction must be regarded as final, so far as Government are concerned.

Note.—Mr. Gandhi has represented to Government that according to his information and belief some at least of these sales have been unlawful and unjust. Government on the information before them cannot accept this contention.

(d) It will be open to any person to seek any legal remedy he may have on the ground that the seizure or attachment of property was not in accordance with the law.

18. Government believe that there have been very few cases in which the realization of dues has not been made in accordance with the provisions of the law. In order to meet such cases, if any, local Governments will issue instructions to District Officers to have prompt enquiry made into any specific complaint of this nature, and to give redress without delay if illegality is established.

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19. Where the posts rendered vacant by resignations have been permanently filled, Government will not be able to reinstate the late incumbents. Other cases of resignation will be considered on their merits by local Governments who will pursue a liberal policy in regard to the re-appointment of Government servants and village officials who apply for reinstatement.

20. Government are unable to condone breaches of the existing law relating to the Salt administration nor are they able in the present financial conditions of the country to make substantial modifications in the Salt Acts.

For the sake however of giving relief to certain of the poorer classes, they are prepared to extend their administrative provisions, on lines already prevailing in certain places, in order to permit local residents in villages, immediately adjoining areas where salt can be collected or made, to collect or make salt for domestic consumption or sale within such villages, but not for sale to, or trading with, individuals living outside them.

21. In the event of Congress failing to give full effect to the obligation of this settlement, Government will take such action as may in consequence become necessary for the protection of the public and individuals and the due observance of law and order."

The Assembly then adjourned till Eleven of the Clock on Friday, the 6th March, 1931.

LEGISLATIVE ASSEMBLY.

Friday, 6th March, 1931.

The Assembly met in the Assembly Chamber of the Council House at Eleven of the Clock, Mr. President in the Chair.

QUESTIONS AND ANSWERS.

STATEMENT OF QUANTITIES REQUIRED IN TENDER FORMS FOR THE SUPPLY OF PAINT AND VARNISH.

S20. *Mr. Gaya Prasad Singh: (a) Is it a fact that the Chief Controller of Stores, Indian Stores Department, stated in his evidence before the Public Accounts Committee for the year 1927-28 as follows:

"Once a year we address the various Departments who make use of us suggesting to them to send us their demands for any particular item of stores they require, like electric bulbs, paint, etc. We gather together all these various lots—sometimes they are very big lots—and we make consolidated contracts with a variation clause, usually 25 per cent. up and 25 per cent. down."

(b) If so, is it a fact that in the year 1927-28 the Indian Stores Department did specify the quantities in cases of paints amongst other articles with a variation clause of 25 per cent. up and down? Will Government be pleased to state the reasons for making the statement as follows:

"The schedules to the tender forms issued by the Indian Stores Department for paints and varnishes during the years 1927-28, 1928-29 and 1929-30 did not specify any quantities to be purchased."

in reply to part (a) of the starred question No. 519 on the 17th February, 1931?

Mr. J. A. Shillidy: (a) Yes.

(b) The reply to first part is in the negative. The statement made by the Chief Controller of Stores before the Public Accounts Committee on the 15th August, 1929, described the general procedure then in force in respect of bulking of demands and arranging of annual contracts. But the variation clause referred to was not a condition of the contracts entered into for the purchase of paints required during the years 1927-28, 1928-29 and 1929-30 for the reason already explained in answer to part (c) of starred question No. 519, dated the 17th February 1931. Paints were included in Mr. Kirkhope's reply before the Public Accounts Committee apparently because the procedure explained by him was then under consideration in respect of paint contracts for 1930-31, preliminary action on which was being taken at the time.

The second part does not arise.

STATEMENT OF QUANTITIES REQUIRED IN TENDER FORMS FOR THE SUPPLY OF PAINT AND VARNISH.

S21. *Mr. Gaya Prasad Singh: (a) Are Government aware of the circular No. H.-4822, dated the 19th November, 1928 and circular No. H.-2523,

dated the 21st December, 1927, from the Indian Stores Department, in which the tenderers for paints and varnishes were asked to increase the quantities mentioned in the schedule of invitation to tender by certain quantities such as is shown below :

Circular No. H.-4322, dated the 19th November, 1928.

"Please make the following additions and corrections to the above tender and submit your quotations accordingly :

- (b) Increase the quantity of bituminous solution black against item No. 83 from 1,200 gallons to 3,500 gallons."

Circular No. H.-2523, dated the 21st December, 1927.

"Please increase the quantities shown against the following items of the above tender as under and quote accordingly :

Item No.	Description of Goods.	Rate per cent. for any quantity, up to
6	Paint, Zinc White genuine R./M. . . .	200 cwt.
15	„ Red Oxide R./M. . . .	200 cwt.
21	„ Chocolate Dark Stiff	150 cwt.
22	„ „ „ „ R./M. . . .	130½ cwt."

(b) If so, will Government be pleased to state the reasons for their making the following statement :

"For the years 1927-28, 1928-29 and 1929-30 a form of contract had been in use, which although referred to in the conditions of contract as a running contract, was in actual fact a rate contract inasmuch as no quantities were specified either in the invitations to tender or in the schedule to the contracts."

in reply to part (a) of starred question No. 158 on the 28th January, 1931?

Mr. J. A. Shillidy: (a) The answer is in the affirmative.

(b) I would refer the Honourable Member to the reply given to part (a) of starred question No. 519 on the 17th February, 1931, in which I further explained that the schedules to the tender forms issued by the Indian Stores Department for paints and varnishes during the years 1927-28, 1928-29 and 1929-30 did not specify any *definite* quantities to be purchased, nor did they specially provide for the purchase from the successful tenderer of any minimum or maximum quantities. The circulars referred to by the Honourable Member were intended merely to expand the range of the scales mentioned in the schedules which issued with the tenders and did not prescribe definite quantities to be purchased.

STATEMENT OF QUANTITIES REQUIRED IN TENDER FORMS FOR THE SUPPLY OF PAINT AND VARNISH.

822. ***Mr. Gaya Prasad Singh:** With reference to the reply to starred question No. 522 of the 17th February, 1931, do Government propose to give rough estimates of quantities (without guarantee) in the schedules of the tender forms now being used for calling tenders?

Mr. J. A. Shillidy: The Chief Controller of Stores, when inviting tenders in future for paints, enamels and varnishes on a rate contract basis will include in the invitations to tender a statement, for the information of tenderers, showing rough estimates (without guarantee) of the anticipated requirements as notified to him by Indenting Officers up to the time of the issue of the invitations to tender.

TENDERS UNDER THE RUNNING CONTRACT SYSTEM.

823. *Mr. Gaya Prasad Singh: Are Government aware that Indian railways who call for tenders under the running contract system get their requirements at a cheaper rate than the rates contracted by the Indian Stores Department? If not, do they propose to inquire into the matter; if not, why not?

(Mr. Parsons and Mr. Shillidy both rose together.)

Mr. A. A. L. Parsons: From which Department would the Honourable Member like to have a reply to this question?

Mr. Gaya Prasad Singh: From both. (Laughter.)

Mr. A. A. L. Parsons: Such investigations as have been made do not substantiate the contention contained in the first part of the Honourable Member's question. The second part does not, therefore, arise.

Mr. Gaya Prasad Singh: Will my Honourable friend Mr. Shillidy supplement the answer just given by Mr. Parsons?

Mr. J. A. Shillidy: I agree with the answer given by my Honourable friend, Mr. Parsons.

PURCHASE OF PAINT UNDER THE RATE CONTRACT SYSTEM.

824. *Mr. Gaya Prasad Singh: With reference to the reply to parts (a) to (e) of starred question No. 521, answered on the 17th February, 1931, do Government propose to lay the information when collected on the table of the House? If not, why not?

Mr. J. A. Shillidy: The information is laid on the table.

(a) The Indian Stores Department entered into an annual contract in 1930-31 with Messrs. Shalimar Paint Colour and Varnish Company, Limited, for certain grades and qualities of paint. One of the items in the contract was paint red oxide stiff. The characteristics and shade of this paint are governed by an Indian Stores Department specification. The contract price was Rs. 13-8-0 per cwt. delivered free at Howrah or Rs. 15-8-0 per cwt. delivered f. o. r. Bombay.

(b) No. A demand for paint oxide of iron dark genuine stiff specified to contain 95 per cent. oxide of iron and 5 per cent. silica was received by the Controller of Purchase, Bombay, and as paint of this quality and shade was not included in the annual contract, an order was placed outside the contract. Owing to the failure of the contract to supply paint of the quality specified the order was cancelled and a supply of paint red oxide stiff, to the Indian Stores Department specification and at the contract price, was made by Messrs. Shalimar Paint Colour and Varnish Company Limited.

(c) No loss was incurred.

(d) and (e). Do not arise.

**BULKING OF DEMANDS AND STANDARDISATION OF QUALITY OF STORES
PURCHASED.**

825. *Mr. Gaya Prasad Singh: Is it a fact that the Chief Controller of Stores, Indian Stores Department, stated several times that bulking of demands and the standardisation of qualities in very many articles bring down the prices of such articles when contracted for their supply?

Mr. J. A. Shillidy: The answer is in the affirmative.

**STATEMENT OF QUANTITY REQUIRED IN TENDER FORMS FOR THE SUPPLY
OF STORES.**

826. *Mr. Gaya Prasad Singh: (a) Is it a fact that the Indian Stores Department is prepared to furnish to the successful tenderer rough estimates (without guarantee) based on the most accurate information available of the quantities likely to be required during the currency of the contract? If so, will Government be pleased to state the reasons for their refusal to furnish this information in the schedule to the tender forms?

(b) Are Government aware of a feeling amongst some of the manufacturers that this information is being withheld to penalise some of them and to give undue preference to others? If not, do Government propose to hold an impartial inquiry into the matter? If not, why not?

Mr. J. A. Shillidy: (a) The answer to the first part is in the affirmative.

I invite the Honourable Member's attention to the reply just given to his starred question No. 822 and to the reply given to starred question No. 522 on the 17th February, 1931.

(b) The answer to the first part is in the negative.

Government do not propose to hold an enquiry because it is considered that such a feeling, if it exists, is entirely without justification.

**ALLEGED PREFERENTIAL TREATMENT OF MESSRS. MARTIN AND CO. IN
TENDERS FOR CERTAIN STORES.**

827. *Mr. Gaya Prasad Singh: (a) With reference to the reply given to part (f) of starred question No. 174, dated the 16th July, 1930, will Government be pleased to state whether other tenderers were given the same facilities for sending their tenders a second time in revision to their original tenders as Messrs. Martin & Co.? If not, why not?

(b) Is it a fact that Messrs. Martin & Co. were asked to quote F. O. R. Bangalore, as the material in question was required for railways? Will Government be pleased to state whether they informed the other tenderers about the fact that the material was required for railways and would be despatched at railway material rates? If not, will Government be pleased to state the reasons why this preferential treatment was accorded to Messrs. Martin & Co. alone out of all other tenderers?

Mr. J. A. Shillidy: (a) As previously explained in the reply given to part (f) of the starred question No. 174 on the 16th July, 1930, Messrs. Martin and Company were not asked to send in their tender a second time. For the reasons given in answer to parts (e) and (f) of that question, there was no necessity to refer to other tenderers.

(b) The reason why Messrs. Martin and Company, Managing Agents of the Bangalore White Lead Syndicate, were asked to quote on an F. O. R. Bangalore basis, was to ascertain the cost F. O. R. place of manufacture in order that the Railway Administrations might obtain the advantage of despatch at railway material rates. From the figures given in answer to question No. 828, it will be noted that up to the 31st January, 1931, over 90 per cent. of the total quantity of White Lead stiff indented for was requisitioned by Railway Administrations. Neither Messrs. Martin and Company nor any other tenderers were informed that the materials were required for railways or that the materials, or any portion thereof, would be despatched at railway material rates, and the question of preferential treatment does not therefore arise.

WHITE LEAD PURCHASED FROM MESSRS. MARTIN AND COMPANY.

828. *Mr. Gaya Prasad Singh: With reference to part (f) of the reply given to starred question No. 174 of the 16th July, 1930, will Government be pleased to state the total quantity of white lead stiff purchased from Messrs. Martin & Co.? Will they be pleased to state the quantity purchased for the railways and the quantities purchased for other indentors?

Mr. J. A. Shillidy: The total purchases of white lead stiff made from the Bangalore White Lead Syndicate through their Managing Agents, Messrs. Martin and Company, from the 1st April, 1930, to the 31st January, 1931, amounted to 4,331 cwts. Of this quantity 3,980 cwts. were indented for by Railway Administrations and 401 cwts. were indented for by other users.

RAILWAY FREIGHT FROM BOMBAY TO CALCUTTA.

829. *Mr. Gaya Prasad Singh: With reference to the reply given to part (f) of starred question No. 174 dated the 16th July, 1930, will Government be pleased to state the public tariff rate of freight as well as the Railway material rate of freight from Bangalore to Calcutta respectively?

Mr. J. A. Shillidy: The Public Tariff Rate of freight in wagon loads for white lead from Bangalore to Calcutta prevailing at the time the contract which the Honourable Member has in view was dealt with, that is in January, 1930, was Rs. 2-10-7.7 per cwt. The present rate is Rs. 2-0-10.7 per cwt.

The Railway material rate (which has remained unaltered) is Rs. 1-0-9.4 per cwt. *plus* terminal tax pias 5.4 per cwt.

TENDERS FOR THE SUPPLY OF PAINT TO THE INDIAN STORES DEPARTMENT.

830. *Mr. Gaya Prasad Singh: (a) Is it a fact that the Indian Stores Department had two separate items, No. 129 and 56 in their tender No. H.-6040-D., dated the 11th November, 1929, for the supply of two articles, *viz.*, "Paint Lead Colour Stiff" and "Paint Dark Grey" respectively?

(b) Is it a fact that the Indian Stores Department purchased one article against the other item, both of them being identical?

(c) Is it a fact that in the same tender mentioned in part (a), the Indian Stores Department had two separate items No. 87 and 18 for the supply of "Red Anti-Corrosive suitable for painting corrugated sheets" and "Red Oxide to I. S. D. specification"?

(d) Is it a fact that the Indian Stores Department in their letter No. H.-6040, dated the 4th March, 1930, admitted that both items are identical articles?

(e) Is it a fact that item No. 56, which had a lower quotation, was accepted for both items, viz., No. 129 and 56; and is it a fact that in spite of the lower quotation against item 87 it was not accepted for both items 18 and 87 as in the other case? If so, will Government be pleased to state the reason why the lower quotation for item 87 was not accepted for item 18?

(f) Is it a fact that quotation for item 87 ("Red Oxide" to I. S. D. specification) was for Rs. 19 per cwt., whereas the quotation for item 18, which was the same article, was for Rs. 20-8-0?

(g) If so, are Government aware that for not accepting the lower quotation in this case there was a loss of Rs. 1/8 per cwt. to the revenues of India? If so, will they be pleased to state the total amount of loss involved? Do Government propose to inquire into the matter and ascertain the names of the officers concerned? If not, why not?

Mr. J. A. Shillidy: (a) Yes.

(b) The Government Test House recommended, after examining samples offered against items 129 and 56, that paint of the same composition should be accepted against both items and they were therefore combined.

(c) and (d). Yes.

(e) The answer to the first part is in the affirmative.

At the time of examining the tenders it had not been finally decided to consider items 18 and 87 as acceptable for the same purpose.

(f) It is a fact that one of the tenderers, namely, Messrs. Murarka Paint and Varnish Works, submitted a quotation of Rs. 19 per cwt. for "Red Oxide" against item 87 for "Red anticorrosive suitable for painting corrugated sheets". The sample of material offered was examined by the Government Test House and was reported to be unacceptable inasmuch as it was deficient in the iron oxide content.

(g) The question does not arise.

STATEMENT OF QUANTITIES REQUIRED IN TENDER FORMS FOR THE SUPPLY OF STORES.

831. ***Mr. Gaya Prasad Singh:** Has the attention of Government been drawn to para. 2 of the conditions of contract which had been in use during the years 1927-28, 1928-29 and 1929-30? If so, will they be pleased to state whether clause 2 of the conditions of contract made it obligatory on the part of the Indian Stores Department to specify approximate quantities in the schedule to the tender forms?

Mr. J. A. Shillidy: The answer to both parts of the question is in the affirmative. I would in this connection refer the Honourable Member to my reply to part (a) of starred question No. 519 on the 17th February 1931, in which I explained that certain scales of quantities were referred to in the tender forms issued for the years 1927-28, 1928-29 and 1929-30.

LOAN OBLIGATIONS OF THE GOVERNMENT OF INDIA.

832. *Lala Hari Raj Swarup: Will Government be pleased to state what is the total amount of payable loan obligations annually up to the year 1940, both in India and in England?

The Honourable Sir George Schuster: A statement is laid on the table.

Statement of loans which mature between 1931 and 1940.

Year.	Loans Repayable.			
	India.		England.	
	Loan.	Amount.	Loan.	Amount.
		Rs.		£
1931	6% Ten-Year Bonds, 1931.	7,36,12,000	Nil.	..
1932	6% Ten-Year Bonds, 1932.	14,63,40,000	India 5½% Stock	15,010,000
1933	5% Ten-Year Bonds, 1933.	21,45,58,000	India 6% Bonds, 1932-33.	6,000,000
1934	4½% Bonds, 1934	25,98,05,000	Nil.	..
1935	5% Ten-Year Bonds, 1935.	12,83,15,000	India 6% Bonds, 1933-35.	7,000,000
1936	6% Bonds, 1933-36	29,70,81,000	Nil.	..
	4% Conversion Loan, 1916-17.	9,90,01,000		
1937	4% Loans, 1934-37	19,53,79,000	6% Bonds, 1935-37	12,000,000
1938	Nil.	..	5½% Stock 1936-38	17,000,000
1939	Nil.	..	Nil.	..
1940	Nil.	..	Nil.	..

N. B.—1. Statement has been prepared on the assumption that where Government have the option of repayment between two dates, repayment will be made on the later of the two dates.

2. Loans which are repayable at the option of the Government after a short notice. e. g., 3 months or 1 year have been excluded.

SHORT-TERM DEBTS AND TREASURY BILLS.

833. ***Lala Hari Raj Swarup:** Do Government propose to take any systematic steps to convert (a) the short-term debts into long-term ones, (b) To diminish the amount of Treasury Bills in the hands of the public?

The Honourable Sir George Schuster: I would refer the Honourable Member to the relevant portions of my Budget speech.

STORES PURCHASED FOR RAILWAYS.

834. ***Mr. K. P. Thampan** (on behalf of Lala Hari Raj Swarup): (a) Will Government be pleased to state the total amount of stores purchased year by year on behalf of (1) State railways, and (2) other railways since the Acworth Committee reported?

(b) What amount of these stores has been purchased in England, and what amount on the Continent, and what amount in India?

Mr. A. A. L. Parsons: (a) (1) and (2). Information regarding the total amounts of purchases of stores, year by year, by each principal Railway, is given in Appendix A, of Volume II of the Railway Board's Reports on Indian Railways for the year 1922-23 *et seq.* These Reports are in the Library.

(b) In Appendix A of the Railway Board's Annual Reports purchases are classified separately as follows:

- (i) Value of stores imported direct;
- (ii) Value of imported stores purchased in India;
- (iii) Value of stores of Indian manufacture or of indigenous origin.

Information is not available regarding the amounts of purchases made for railways in England and on the Continent separately, but the Honourable Member's attention is invited to appendices C of the Reports on the work of the India Store Department, London, for the years 1924-25 *et seq.*

These appendices show the value of stores purchased by that Department for all Government Departments according to countries of origin since 1922-23.

INTEREST ON RAILWAY CAPITAL.

835. ***Mr. K. P. Thampan** (on behalf of Lala Hari Raj Swarup): What has been the rate of interest charged on the capital invested on Indian Railways year by year since the Acworth Committee reported?

Mr. A. A. L. Parsons: The interest charged to railways is calculated at a fixed rate of 3.3252 per cent. on capital outlay up to the end of 1916-17. On expenditure thereafter, interest is charged each year at a rate representing the average rate of interest paid by the Government of India on borrowings from 1st April 1917 to the end of the year in question. This rate naturally varies from year to year. The rates from 1920-21 onwards are shown in the statement which I place on the table.

Statement showing the rates of interest charged to Railways year by year (from 1920-21 to 1929-30) in respect of Capital expenditure incurred after 31st March, 1917.

1920-21	5.1979 per cent.
1921-22	6.1038 „ „
1922-23	5.4800 „ „
1923-24	5.6900 „ „
1924-25	5.5400 „ „
1925-26	5.6600 „ „
1926-27	5.4300 „ „
1927-28	5.3800 „ „
1928-29	5.6300 „ „
1929-30	5.3100 „ „

CALCULATION OF THE RATE OF INTEREST CHARGED TO CONSTITUENT BORROWERS OF THE GOVERNMENT OF INDIA.

836. ***Mr. K. P. Thampan** (on behalf of Lala Hari Raj Swarup): Do Government propose to introduce some methods of **improvements** in determining the rate of interest to be charged from **their** different constituent borrowers?

The Honourable Sir George Schuster: The most important constituent borrowers are the Commercial Departments of the Government of India, such as, Railways and Posts and Telegraphs, and the Provincial Governments (through the Provincial Loans Fund). As regards the commercial Departments, the attention of the Honourable Member is invited to paragraphs 25 and 26 of the Explanatory Memorandum by the Financial Secretary on the Budget for 1931-32, copies of which were distributed to the Honourable Members along with the Budget papers. It will be seen therefrom that certain changes have been made, with effect from the current year, in the method of calculation of the average rate of interest charged to commercial departments. The rate charged on advances to the Provincial Loans Fund is determined, under the rules of the Fund, on the basis of the cost of new borrowings to the Government of India during the year. No other changes are under consideration at present.

FACILITIES FOR TRAINING OF INDIAN STUDENTS ABROAD.

837. ***Mr. K. P. Thampan** (on behalf of Lala Hari Raj Swarup): (a) How many students applied to the High Commissioner for the provision of facilities for their practical training in England in the latest year of the Report?

(b) How many of them were granted such facilities?

(c) How many of the latter were required to make payments for the grant of such facilities?

(d) Are Government aware that on the Continent a number of Indian students are able to get facilities for their practical training without any payment at all?

Mr. J. A. Shillidy: (a), (b) and (c). The attention of the Honourable Member is invited to the reply given by me on the 12th February, 1931, to a somewhat similar question, No. 478, by Mr. Bhuput Sing. The information called for from the High Commissioner for India in that connection will be communicated to the Honourable Member.

(d) Government have no information, but enquiries on the point will be made from the High Commissioner for India.

CONTRIBUTIONS BY THE GOVERNMENT OF INDIA TO EDUCATIONAL INSTITUTIONS IN ENGLAND.

838. ***Mr. K. P. Thampan** (on behalf of Lala Hari Raj Swarup): (a) What are the educational institutions in England to which the Government of India make any monetary contribution?

(b) What are the amounts given to each?

The Honourable Khan Bahadur Mian Sir Fazl-i-Husain: A statement giving the information asked for is laid on the table.

STATEMENT.

Annual monetary contributions made by the Government of India to Educational institutions in England.

Name of Institution.	Amount of grant. £
1. Oxford University—	
(a) For expenses for Delegacy for Oriental Students (at £4 per student).	Minimum . . . 300 Maximum . . . 400
(b) For Indian Civil Service Studies	1,500
(c) For the Indian Institute	250
2. Cambridge University—	
(a) For expenses of the Inter-collegiate Indian Students Committee.	£ 400 plus office expenses up to . . . 150
(b) For Indian Civil Service Studies	1,500
3. Edinburgh University—	
For expenses of the University Adviser to Indian Students	250
4. London School of Hygiene and Tropical Medicine	50
5. School of Oriental Studies	1,275
6. Trinity College, Dublin	300

CONTRACT FOR THE FIREWORKS FOR THE DELHI FETE.

839. ***Bhagat Chandi Mal Gola:** (a) Is it a fact that the contract for the fireworks on the occasion of the opening ceremony of New Delhi was given to a firm at Calcutta?

(b) If the answer to part (a) be in the affirmative, why was the contract given to the Calcutta firm? Are Government aware that the Imperial Fireworks Co., already existed in Delhi and displayed the best varieties of fireworks at the time of the Durbars held in 1903, 1911 and also on the occasion of the Peace Celebrations?

Mr. J. A. Shillidy: (a) Yes.

(b) The Calcutta firm was given the contract for the fireworks display in 1922 and 1923 and was selected again this year as offering the best value for the outlay.

AGRICULTURAL RESEARCH INSTITUTE AT PUSA.

840. *Pandit Ram Krishna Jha: (1) Will Government be pleased to state:

- (a) when the Research Institute at Pusa (Bihar) was established;
- (b) what has been the total costs, initial and recurring, till now, i.e., upto 1930 for the Institute;
- (c) how many officers are employed at present in the Institute drawing a salary over Rs. 100/- a month;
- (d) how many of them are Europeans and how many Indians;
- (e) what is the amount of salary at present paid every month to the European officers and Indian officers respectively;
- (f) whether they have considered what practical advantage, if any, have the agriculturists of the country, or even of Bihar yet gained from the said Institute?

(2) Do Government propose to take any other practical step for the improvement of agriculture of this country? If so, on what lines and when?

The Honourable Khan Bahadur Mian Sir Fazl-i-Husain: (1) (a) 1904.

(b) Total initial Rs. 19,30,716.

Total recurring Rs. 1,48,49,061.

(c) 85.

(d) 7 Europeans.

78 Indians.

(e) Europeans Rs. 12,480 *plus* £193 6s. 8d. (Overseas pay).

Indians Rs. 19,768.

(f) It is impossible to answer the question fully within the limits permissible, but full information regarding the research work done at Pusa and its bearing on practical agricultural problems will be found in the Annual Reviews of Agricultural Operations in India and in the scientific Reports of the Imperial Institute of Agricultural Research which are available in the Library of the House. It may be pointed out, however, that the main function of Pusa is to conduct fundamental research in agricultural science and thus to supply that basic knowledge, without which practical advances cannot be made. Owing to differences in agricultural and soil conditions from one area to another, the practical application of this fundamental knowledge usually requires a detailed familiarity with the area in question, and thus falls primarily within the sphere of the Provincial Departments. A reference to the Reports I have mentioned will show that the Pusa Institute has been directly responsible for the introduction of improved varieties of crops (especially wheat and sugarcane) having greater yields and more disease resistant qualities than those ordinarily grown and

for control measures against diseases and insect attacks. This work has extended all over India. The direct increased money return to Indian cultivators of the two improved varieties of crops—wheat and sugarcane—alone has paid for the cost of Pusa many times over.

(2) Proposals are now in preparation for extending the sphere of usefulness of Pusa, and special attention will be paid to the provision of greater facilities for post-graduate students from the various provinces and Indian States and to the general development of post-graduate training. The Imperial Council of Agricultural Research, which was created to promote and co-ordinate agricultural research, has already examined a number of research schemes of practical application and has made grants for them. In some instances, these investigations will be carried out at provincial research stations, in others at Indian Universities, *c.g.*, Calcutta, Dacca, and the Punjab and in yet others at the Imperial Institute of Agricultural Research, Pusa, and its sub-stations. Other important schemes of co-ordinated research are under consideration by the Research Council.

IMPROVEMENT OF AGRICULTURE.

841. ***Pandit Ram Krishna Jha:** (a) Was the attention of Government drawn to the need for taking steps to improve the agriculture of this country by several non-official Members of this House in the Budget discussions held last year?

(b) If so, have Government taken any such step? If not, why not?

(c) Do Government pay any consideration to the suggestions made, in the Budget debates, by the Honourable non-official Members of this House, by way of taking necessary action?

(d) If so, what action if any has been taken since March, 1980, to improve the agriculture of the country?

The Honourable Khan Bahadur Mian Sir Fazl-i-Husain: (a) I have had the discussions during the last Budget debate examined, but no specific suggestions in regard to the improvement of agriculture have been traced. I shall be glad if the Honourable Member tells me afterwards what particular suggestions he has in mind.

(b) and (d). Much valuable work on the improvement of agriculture has been accomplished by the Imperial Council of Agricultural Research and the Imperial and Provincial Departments of Agriculture since March, 1980. An account of this will appear in due course in the Review of Agricultural Operations for 1980-81 and in the Annual Report on the progress made in carrying out the recommendations of the Royal Commission on Agriculture, copies of which will be placed in the Library of the House. I would also invite the Honourable Member's attention to the replies I have given in the course of this session to questions regarding the development of the cultivation of sugarcane.

(c) Yes, Sir. Careful consideration is always given to concrete suggestions made by Honourable Members in the course of the Budget discussions.

NON-INTERFERENCE WITH HINDU RELIGIOUS RITES AND USAGES.

842. *Pandit Ram Krishna Jha: (a) Has the attention of Government been drawn to the resolution regarding non-interference with Hindu religious rites and usages passed by the Sanatan Dharam Sabha in their annual meeting held at Meerut on the 17th and 18th February, 1931, as published in the *Hindustan Times*, dated the 22nd February, 1931?

(b) If so, do Government propose to give effect to the resolution?

The Honourable Sir George Rainy: (a) Yes.

(b) As the Honourable Member is aware, the matter came within the cognizance of the Round Table Conference. No decision has as yet been reached in the matter.

REPRESENTATION OF SANATAN DHARAMI HINDUS AT FURTHER MEETINGS OF THE ROUND TABLE CONFERENCE.

843. *Pandit Ram Krishna Jha: (a) Will Government be pleased to state whether the Round Table Conference is likely to meet in India? If so, when and where?

(b) Are Government aware that the majority of the Hindu population in India are Sanatanists and resent any interference from any quarter with their religious rites and with their socio-religious matters and usages?

(c) Do Government propose to nominate at least two representatives on behalf of the Sanatan Dharami Hindus of India as delegates to the Conference to be held in India? If not, why not?

The Honourable Sir George Rainy: I would refer the Honourable Member to the reply which I gave to Rai Bahadur Sukhraj Rai's starred question No. 580 of the 18th February, 1931. I am not in a position to add anything to that reply at present.

PRICE OF PAINT PURCHASED BY THE INDIAN STORES DEPARTMENT.

844. *Sardar G. N. Mujumdar: (a) Are Government aware of the rates contracted by the Indian Stores Department for the supply of "Ivory Black Dry" of I. S. D. specification No. G. O. page 110 (Item No. 35 of Tender No. M.-13 for 1931-32) at Rs. 24 against the price contracted by the Bengal Nagpur Railway for exactly the same article at Rs. 23-10-0 during the year 1931-32?

(b) If not, do Government propose to inquire into the matter? If not, why not? If the answer to part (a) is in the affirmative, will Government be pleased to state the reasons for losing annas 6 per cwt.?

(c) Will Government be pleased to state the total amount of loss involved in the transaction by Government, and do they propose to inquire into this loss to the public funds of India and ascertain the names of the officers responsible for the above transactions? If not, why not?

Mr. J. A. Shillidy: With your permission, Sir, I propose to answer questions Nos. 844 to 847 together.

The information is being collected and will be sent to the Honourable Member.

PRICE OF PAINT PURCHASED BY THE INDIAN STORES DEPARTMENT.

†845. ***Sardar G. N. Mujumdar:** (a) Are Government aware of the rates contracted by the Indian Stores Department for the supply of "Chocolate Stiff" of I. S. D. specification No. G. O. page 119 (Item No. 23 of Tender No. M.-13 for 1931-32) at Rs. 10-12-0 against the price contracted by the Bengal Nagpur Railway for exactly the same article at Rs. 9-8-0 during the year 1931-32?

(b) If not, do Government propose to inquire into the matter? If not, why not? If the answer to part (a) is in the affirmative, will Government be pleased to state the reasons for losing Rs. 1-4-0 per cwt.?

(c) Will Government be pleased to state the total amount of loss involved in this transaction by Government and do they propose to inquire into this loss to the public funds of India and ascertain the names of the officers responsible for the above transaction? If not, why not?

PRICE OF PAINT PURCHASED BY THE INDIAN STORES DEPARTMENT.

†846. ***Sardar G. N. Mujumdar:** (a) Are Government aware of the rates contracted by the Indian Stores Department for the supply of "Red Lead Dry" of I. S. D. specification No. G. O. page 105 (Item No. 12 of Tender No. M.-13 for 1931-32) at Rs. 21-11-0 against the price contracted by the Bengal Nagpur Railway for exactly the same article at Rs. 21-4-0 during the year 1931-32?

(b) If not, do Government propose to inquire into the matter? If not, why not? If the answer to part (a) is in the affirmative, will Government be pleased to state the reasons for losing Rs. 0-7-0 per cwt.?

(c) Will Government be pleased to state the total amount of loss involved in the transaction by Government and do they propose to inquire into this loss to the public funds of India and ascertain the names of the officers responsible for the above transactions? If not, why not?

PRICE OF PAINT PURCHASED BY THE INDIAN STORES DEPARTMENT.

†847. ***Sardar G. N. Mujumdar:** (a) Are Government aware of the rates contracted by the Indian Stores Department for the supply of "White Enamel" of I. S. D. specification No. G. O. page 140 (Item No. 82 of Tender No. M.-13 for 1931-32) at Rs. 5-3-0 against the price contracted by the Bengal Nagpur Railway for exactly the same article at Rs. 5-1-0 during the year 1931-32?

(b) If not, do Government propose to inquire into the matter? If not, why not? If the answer to part (a) is in the affirmative, will Government be pleased to state the reasons for losing As. 2 per gall.?

(c) Will Government be pleased to state the total amount of loss involved in the transaction by Government and do they propose to inquire into this loss to the public funds of India and ascertain the names of the officers responsible for the above transactions? If not, why not?

†For answer to this question, see answer to question No. 844.

NEW JAILS CONSTRUCTED FOR POLITICAL PRISONERS.

848 *Rai Bahadur Sukhraj Rai: Will Government be pleased to state :

- (a) what is the total number of jails that have been recently built to provide additional accommodation for political prisoners under the civil disobedience movement in India and the names of the places where these have been erected;
- (b) what is the total amount of money spent for the construction of these jails and the excess expenditure incurred in providing for the increased number of prisoners as compared with the last year; and
- (c) what is the amount spent in maintaining and guarding the prisoners in jails in India from the 1st March, 1930, to the 31st January, 1931?

The Honourable Sir James Orerar: I regret that I have no precise information. The question relates to matters which are the concern of Local Governments, and the collection of the figures would involve a disproportionate amount of labour.

COST OF ADDITIONAL POLICE AND RECEIPTS FOR PUNITIVE POLICE.

849. *Rai Bahadur Sukhraj Rai: Will Government be pleased to state :

- (a) what is the total amount spent in India to provide for additional Police forces to combat the civil disobedience movement;
- (b) what is the total number of the forces so employed;
- (c) in how many places has a punitive tax been imposed and what is the total amount of earnings from this that has been realised up to the 31st January, 1931?

The Honourable Sir James Orerar: (a) and (b). The employment of additional police for whatever purpose is a matter entirely for Local Governments and I can only give the Honourable Member information in respect of the North-West Frontier Province and Delhi which is as follows:

	Number of additional police employed tem- porarily.	Approximate cost for 1930- 31. Rs.
North-West Frontier Province	1,224	5,37,800
Delhi	407	1,50,500

(c) I presume the Honourable Member is referring to the realisation of the cost of employing additional police from the inhabitants of the disturbed areas. I regret that I have no information on the points referred to which are determined by the Local Governments.

APPOINTMENT OF JAINS IN RAILWAY SERVICES.

850. *Rai Bahadur Sukhraj Rai: (a) Will Government be pleased to state what is the total number of Jains in Railway Service at present employed? Is there any Jain in the superior grade drawing a salary above Rs. 1,000?

(b) Are Government aware that a very large number of Jain pilgrims travel every year in trains and a great portion of income is derived from them?

(c) How many special trains were taken out by them in 1930-31 and what is the amount of earnings from the same?

Mr. A. A. L. Parsons: (a), (b) and (c). The statements kept by railways do not show the number of Jains employed in Railway Service or in superior grades of railways drawing a salary above Rs. 1,000 per mensem, nor is it possible to obtain information as to the number of Jain pilgrims who travel by train annually or as to the revenue derived from them.

The only information that Government have is that five special trains for Jain pilgrims were run in February, 1930, from Erinpura Road on the metre gauge section of the Bombay, Baroda and Central India Railway to the East Indian Railway, where the passengers were accommodated in three special trains. These trains arrived back at Erinpura on 3rd April, 1930.

APPOINTMENT OF TELEPHONE OPERATORS IN PATNA

851. ***Rai Bahadur Sukhraj Rai:** (a) Will Government be pleased to state whether their attention has been drawn to the letter under the heading 'Telephone Operators' as published in the *Searchlight* of the 25th December, 1930? If so, will they state why the non-matriculate candidates, whose names were registered previous to the introduction of the new rules not allowing non-matriculates in the Patna Telephone Department, and who have officiated on several occasions, have been overlooked? Is it proposed to provide them in permanent vacancies?

(b) Has the attention of Government been drawn to the letter entitled "Telephone Operators' Grievances" published in the *Searchlight* of the 27th December, 1930? If so, is it a fact that an outsider and a few junior men were appointed in the Patna Telephone Department by overlooking the senior men? Is it proposed to check this irregularity in future and provide these affected senior men in any permanent vacancy in future?

Mr. H. A. Sams: (a) and (b). The attention of the Honourable Member is invited to the reply given by me to Mr. Uppi Sahab Bahadur's starred question No. 697 on the 24th February, 1931.

INTERCEPTION OF A TELEGRAM ADDRESSED TO PANDIT JAWAHAR LAL NEHRU.

852. ***Mr. Gaya Prasad Singh:** (a) Is it a fact that a telegram from the London Branch of the Indian National Congress, addressed to Pandit Jawahar Lal Nehru on or about the 31st January, 1931, was duly forwarded to India, but it was intercepted in this country?

(b) Will Government kindly state under what law this was done, and by which Telegraph Office?

(c) What were the contents of the telegram, or why was it held to be objectionable?

Mr. J. A. Shillidy: (a) Yes.

(b) The telegram was intercepted at the Jubbulpore Telegraph Office under rule 156 of the Indian Telegraph Rules, 1927.

(c) Under section 26 of the Indian Telegraph Act I am precluded from disclosing the contents of the telegram. It was held to be objectionable as it came within the scope of rule 156 of the Indian Telegraph Rules of 1922.

Mr. Gaya Prasad Singh: Is it a fact that this telegram was held to be unobjectionable when it was despatched from England?

Mr. J. A. Shillidy: Of that, I have no information.

UNSTARRED QUESTIONS AND ANSWERS.

QUARTERS FOR CLERKS OF THE MOTIHARI HEAD POST OFFICE.

252. **Mr. Gaya Prasad Singh:** (a) Are Government aware that with reference to my unstarred question No. 150 put in March, 1930, all units of the remaining set of quarters for the clerks of the Motihari Head Post Office, in Bihar and Orissa Circle have not been completed up to now?

(b) Are Government aware that the Postal employees are put to great inconvenience on that account and that the 11th Session of the Bihar and Orissa Postal and Railway Mail Service Conference passed a Resolution, which was submitted to the Postmaster General, Bihar and Orissa, recommending the construction of the remaining set of quarters? By what time do Government expect all the quarters to be constructed?

Mr. H. A. Sams: (a) The Honourable Member's question referred to is not traceable, but Government are informed that some sets of quarters for the clerks of the Motihari Head Post Office in the Bihar and Orissa Circle still remain to be constructed.

(b) No, as rented houses are reported not to be scarce at Motihari.

•Regarding the resolution of the Postal Conference recommending the construction of the remaining sets of quarters, no information is yet available. The time within which further quarters will be constructed will depend on the necessity for them and the provision of funds.

A MOVING SCHOOL FOR THE CHILDREN OF EMPLOYEES OF THE GOVERNMENT OF INDIA SECRETARIAT.

253. **Mr. Gaya Prasad Singh:** (a) What arrangements, if any, have Government made for the provision of a moving school for both boys and girls of the employees of the Government of India Secretariat and its attached offices?

(b) Is it a fact that the Harcourt Butler School moves between Simla and Delhi? If so, since when?

(c) What aid do Government give to the said institution and what conditions have they imposed on the said institution?

The Honourable Khan Bahadur Mian Sir Fazl-i-Husain: (a) Government have made a grant to the Harcourt Butler School for boys, Simla, to enable it to be maintained as a moving school between Simla and New Delhi. The question of the provision of a moving school for girls will be considered.

(b) Yes, from the current cold weather.

(c) The Government of India have made a grant-in-aid of Rs. 7,580 (Rs. 4,080 recurring and Rs. 3,500 non-recurring) during the current financial year, and propose to pay a recurring grant of Rs. 4,200 per annum in future years to meet expenditure on account of the move of the school. No condition has been imposed. The Government of the Punjab also make a grant to this school for maintenance. Information regarding the amount of their grant and the conditions attached thereto has been called for and will be supplied to the Honourable Member on receipt.

A MOVING SCHOOL FOR THE CHILDREN OF EMPLOYEES OF THE GOVERNMENT OF INDIA SECRETARIAT.

254. **Mr. Gaya Prasad Singh:** (a) Is it a fact that no arrangements at present exist for a moving school for girls between Simla and Delhi?

(b) Are Government aware that the Government of India staff is greatly inconvenienced for want of such a school?

(c) What steps do Government propose to take in the matter?

The Honourable Khan Bahadur Mian Sir Fazl-i-Husain: (a) and (b). Yes.

(c) The matter will be considered.

ESTABLISHMENT OF A HIGH SCHOOL FOR GIRLS IN NEW DELHI.

255. **Mr. Gaya Prasad Singh:** (a) Is it a fact that there is no High School for girls in New Delhi?

(b) Are Government aware that students of the higher classes have to attend a school in Old Delhi and are thus put to great inconvenience?

(c) What steps do Government propose to take in the matter?

(d) Is it not the recognised policy of Government to encourage the education of girls? If so, will Government please state reasons why no action has so far been taken for the establishment of a High School for girls in New Delhi?

The Honourable Khan Bahadur Mian Sir Fazl-i-Husain: (a) and (b). Yes.

(c) and (d). The question of raising the existing Municipal Board Middle School for Girls in New Delhi to the status of a High School will be considered when a sufficient number of girls is forthcoming for admission to the higher classes. At present there are less than 20 girls in the three middle classes.

GOVERNMENT GRANT MADE TO THE LADY IRWIN SCHOOL FOR GIRLS, SIMLA.

256. **Mr. Gaya Prasad Singh:** Is it a fact that Government pays a large sum as a grant to the Lady Irwin School for Girls, Simla? If so, how much and what conditions have Government imposed thereon.

The Honourable Khan Bahadur Mian Sir Fazl-i-Husain: The following grants from Central revenues have been given for the establishment and maintenance of the Lady Irwin School for Girls, Simla:

Recurring—Rs. 8,700 since 1927-28.

Non-recurring—

Rs. 2,000 in each of the years 1927-28 and 1929-30. It is proposed to make an additional non-recurring grant of Rs. 5,500 to the school during the current financial year.

The following conditions have been imposed in connection with the payment of the recurring grant:

- (a) That pupils who are children of, or under the guardianship of, employees of the Government of India, are given preference in the matter of admission to the school.
- (b) That the school levies reasonable fees and does not enter into competition with other schools in the neighbourhood by unduly lowering its fees.
- (c) That pupils who are children of, or under the guardianship of, employees of the Government of India, are charged fees which are less by $33\frac{1}{3}$ per cent. than those charged to other pupils, the fees in the case of the latter being considered to be the standard rates. Since the fees should in general be not less than Rs. 2 per head per mensem from pupils who are children of, or under the guardianship of, employees of the Government of India, there is no objection to the average standard rate of fee per class being fixed at not less than Rs. 3 per head per mensem.
- (d) That the school is kept open for 8 months in the year.
- (e) That the school is regularly inspected and satisfactorily reported on.
- (f) That provision is made for *purdah* girls.

FEES CHARGED BY THE LADY IRWIN SCHOOL FOR GIRLS, SIMLA.

257. **Mr. Gaya Prasad Singh:** (a) Is it a fact that the Lady Irwin School for Girls, Simla, remains open for a period of eight months in a year, yet the students are charged fees for the full twelve months?

(b) Are Government aware that in view of the move of the Government of India, the majority of the students cannot take advantage of it, and cannot attend even for the full eight months?

(c) Are Government aware that the majority of the students have to attend one of the public schools in Delhi and have to pay full fees for the winter months? If so, are Government prepared to consider the question whether some relief is necessary to the parents of such students?

(d) Will Government be pleased to state under what section of the Punjab Education Code can a school charge fees from the students for full twelve months, even if such students are reading in some other public institution for a portion of the year? Under what rule is the Lady Irwin School for Girls, Simla, following such a practice?

(e) What steps do Government propose to take in this matter?

(f) Are Government prepared to consider the advisability of making their grant to the Lady Irwin School for Girls, Simla, on the condition that students are not charged a fee twice over, i.e., by the said school and by another school in Delhi during the winter months?

(g) If the answer to (f) above is in the negative, do Government propose to consider the advisability of starting a Government school for girls moving between Simla and Delhi, or ask the Lady Irwin School for Girls, Simla, to move between Simla and Delhi by making a condition to their grant, to that effect?

(h) Will Government please lay on the table the names of the members of the Governing Body of the Lady Irwin School for Girls, Simla, and also make available the rules and regulations of the said institution?

The Honourable Khan Bahadur Mian Sir Fazl-i-Hussain: (a) and (b). Yes.

(c) Government are informed that some of the students, though not the majority, attend one or other of the girls' schools in Delhi during the winter months and are required to pay fees for their tuition. On their return to Simla they are re-admitted to the Lady Irwin School on production of transfer certificates from the schools they have attended at Delhi and in that case they are not required to pay the tuition fees at the Lady Irwin School for the winter months.

(d) Under article 8 of chapter IV of the Punjab Education Code, fees are ordinarily leviable in recognised schools for the twelve months of the year. The Lady Irwin School for Girls charges fees under rules 26, 27, 30 and 32 of its rules.

(e) and (f). Do not arise.

(g) The Honourable Member is referred to the reply given to his unstarred question No. 254.

(h) A list of the members of the Governing Body of the Lady Irwin School for Girls, Simla, and a copy of the rules of the school are laid on the table.

List of the members of the Governing Body of the Lady Irwin School for Girls.

1. The Honourable Sir Brojendra Mitter, Kt., *President*.
2. Lady Protima Mitter.
3. Lady Bhore.
4. Mrs. P. K. Sen.
5. R. Littlehales, Esq., C.I.E.
6. Sardar Bahadur Sital Singh.
7. Rai Bahadur J. P. Ganguly.
8. Rai Bahadur P. N. Mukherjee.
9. Rai Bahadur A. L. Banerjee.
10. Rai Bahadur Daya Ram Sahni.
11. Rai Bahadur Ram Nath.
12. Rao Sahib K. P. Anantan.
13. Khan Sahib Ghias-ud-Din.
14. Mrs. P. J. Roy, *Honorary Secretary*.
15. Mrs. Priyabala Gupta, *Honorary Treasurer*.
16. Miss Jyotsna E. Addy, *Head Mistress*.

*Rules of Lady Irwin School for Girls, Simla.***NAME AND OBJECT.**

1. The School shall be called "Lady Irwin School for Girls."
2. Its object is to educate girls by the development of all their faculties and by inculcating in them habits of observation and thought, and to instil into them the best of Indian and of Western culture.
3. Boys may also be admitted to the Kindergarten classes; but must leave the school on attaining the age of eight years.
4. The School shall be run on strictly non-sectarian lines, and proper arrangement shall be made for Purdah girls.

Management, Audit and Control.

5. The School shall be under the control of the Governing Body.
6. The accounts of the School shall be audited once a year by an Auditor elected by the Governing Body, who shall submit to the Governing Body a written report of his audit.
7. The Governing Body shall consist of a President, a Secretary, a Treasurer, a nominee of the Government of India, the Head Mistress for the time being of the school, and fourteen other members elected from among persons who have subscribed to, or otherwise interested themselves in, the School, or from among parents or guardians of the girls reading in the School.
8. All appointments to the Governing Body other than those of the nominee of the Government of India and the Head Mistress for the time being shall be made by election at meetings of the Governing Body, and shall be for three years from date of appointment. Persons so appointed shall, however, be eligible for reappointment on the expiration of their term of office.

Meetings and Duties of Governing Body.

9. The Governing Body shall meet as often as may be necessary for the transaction of business.
10. Seven members shall form a quorum.
11. In the absence of the President at any meeting the members present shall elect one from among themselves to preside at that meeting.
12. (1) All questions shall be decided by a majority of votes. In case of equality of votes, the President or the Chairman shall have a second or casting vote.
- (2) No vote by proxy shall be admitted.
13. The Governing Body shall from time to time receive, examine and pass all approved accounts which, when passed, shall be signed by the President or the Chairman at the meeting.
14. The appointment and dismissal of teachers and other employees of the school shall rest with the Governing Body; the Secretary may, however, subject to any instructions given by the Governing Body, make temporary arrangements for the appointment of such teachers and other employees as may be necessary.
15. The Governing Body shall exercise general supervision over the working of the school. It may depute any member or members to visit the school from time to time, who shall communicate their remarks to the Secretary in writing. Such communications shall be laid before the Governing Body at their earliest meeting.
16. The Governing Body shall receive, consider and dispose of such complaints made by parents or guardians of pupils as cannot suitably be disposed of by the Head Mistress or the Secretary.
17. The Governing Body may frame subsidiary rules for the management of the school.

Duties of the Secretary and Treasurer.

18. The Secretary shall be the chief executive officer of the Governing Body, and shall, subject to the control of the President, be responsible for seeing that the orders of the Governing Body are carried out.

19. The Treasurer shall be responsible for all monies, books, accounts, and papers connected therewith, and shall submit all such papers and accounts to the Governing Body as occasion arises.

20. (1) The Treasurer shall have an account in a Bank approved by the Governing Body; and deposit therein all funds of the School, and shall not draw therefrom any money other than that required to meet the standing charges sanctioned by the Governing Body. All cheques drawn for the School shall be signed by the Treasurer and the Secretary.

(2) Contingent expenditure up to a maximum of Rs. 50 a month may be incurred without the prior sanction of the Governing Body.

21. The Treasurer shall see that all books and accounts of the School are kept in proper order, and shall in signing every month, specify the date on which they are signed, the Cash Book, Collection Register, Book of Contingent Charges, Admission Register, Acquittance Roll and Abstract Attendance Register, those places where remission of tuition fees is sanctioned being initialled.

General Rules for the School.

22. The School shall ordinarily be open from the middle of March to the middle of November.

23. It shall be divided into three Kindergarten classes and six Forms leading up to a School Leaving Certificate Standard. Tuition fees shall be levied at the following rates per mensem :

	For girls and wards of the Government of India employees.	For girls and wards of others.
	Rs. a. p.	Rs. a. p.
Form VI	6 0 0	9 0 0
Form V	6 0 0	9 0 0
Form IV	5 0 0	7 8 0
Form III	5 0 0	7 8 0
Form II	4 0 0	6 0 0
Form I	4 0 0	6 0 0
Kindergarten A	3 0 0	4 8 0
Kindergarten B	3 0 0	4 8 0
Kindergarten C	3 0 0	4 8 0

24. The School shall remain closed on Sundays, the last Saturday of each month and on holidays to be notified by the Governing Body. On other days, it shall open at 10-30 A.M. and close at 3-30 P.M. with half an hour's break each day, except on Saturdays when it shall close at 1 P.M. and there shall be no break. The Secretary may, however, close the School on special occasions, reporting her action to the Governing Body.

25. There shall be monthly examinations in each class. A yearly examination shall be held in the month of October on dates to be fixed by the Secretary. Progress reports shall be sent to the guardians from time to time which shall include the marks obtained by their wards at examinations.

26. The tuition fee for any month during the period that the school is in session shall be paid on or before the 12th day of that month. If the 12th happens to fall on a Sunday, or a holiday, payment may be made on the next following day after the School reopens.

27. Fees for the month of November and December must be paid along with the fee for October. Fees for January and February are payable in March, but in the case of students moving with their parents or guardians between Delhi and Simla, the fees for January, February and March shall be payable in April.

28. Students failing to pay their tuition fees for any month in due time, shall be considered defaulters and as such shall be liable to the payment of a fine of one anna for each day's delay till the end of the month, after which their names shall be liable to be struck off the rolls.

29. Students whose names are thus struck off may be readmitted on payment of a fee of one rupee and the arrears including fines incurred under rule 28 due, unless the Governing Body otherwise direct.

30. Applicants for admission into the School from other schools shall have to produce transfer certificates and pay an admission fee of two rupees, and the tuition fee for the month in which they are admitted. Without the sanction of the Secretary no portion of the tuition fee shall be remitted on the ground of their having paid the tuition fee to the School to which they had previously belonged.

31. Applications for admission in the prescribed form shall be made to the Head Mistress.

32. Any student leaving the School during the months of October, November and December who applies for re-admission shall, unless a transfer certificate is produced, have to pay the full tuition fees for the period of absence from the school.

Conditions of Service of teachers.

33. All teachers shall be employed on a contractual basis—their service being terminable on one month's notice on either side.

(a) Leave.

34. The teachers of the School shall be eligible for full pay during the annual vacation, provided they rejoin after the holidays. They may also be granted the following classes of leave in a year :

- (a) Casual leave on full pay for a period not exceeding ten days, which should not be prefixed or suffixed to the vacation leave;
- (b) Leave on half pay for a total period of one month in any one year;
- (c) Leave without pay for a total period of two months in any one year.

35. (1) The Head Mistress may grant casual leave to the teachers of the School. The Secretary may grant casual leave to the Head Mistress.

(2) When casual leave is taken on the ground of urgent private business, the permission of the Head Mistress should whenever possible be obtained beforehand.

36. Leave on half-pay may be granted by the Secretary to a teacher, on medical grounds, or on urgent private affairs when a substitute is not required.

37. Leave without pay may similarly be granted by the Secretary when, in her opinion, the interests of the School will not suffer by the grant of such leave.

38. Leave of absence for a longer period than that admissible under rule 34 above requires the sanction of the Governing Body.

39. Absence without leave, habitual irregularity or frequent absence from School may entail loss of pay and appointment.

40. Absence without leave, whether prefixed or suffixed to the winter vacation, shall subject the absentee to loss of pay for the vacation.

41. Leave of any kind cannot be claimed as a matter of right.

(b) Private Tuition.

42. Without the sanction of the Secretary no private tuition shall be undertaken by any teacher.

Duties of the Head Mistress and other teachers.

43. The Head Mistress shall promote the physical, intellectual and general welfare of the pupils under her charge, and shall have it as her special aim and object to make all parts of school life bright and interesting to the pupils, and to turn them out as persons with harmoniously developed faculties with a healthy outlook on life and capable of playing their parts worthily in the home and in the State.

44. The Head Mistress shall see :

- (a) That the Text Books selected are carefully taught;
- (b) That the teachers daily note down, in their own hand, the time of their arrival and departure in an Attendance Book, to be kept for the purpose;
- (c) That no corporal punishment is inflicted upon, or any improper or abusive language used to, the pupils by any teacher;
- (d) That the teachers go to their respective classes, punctually at the time their work is to commence;
- (e) That no pupils joins any class and receives instructions without being duly admitted and enrolled as such;
- (f) That no unwholesome articles are sold to pupils on the School premises;
- (g) That parents or guardians of pupils are written to, enquiring the cause of their ward's absence, if they happen to be absent for six consecutive days;
- (h) That no teacher leaves the school during the school hours without her permission;
- (i) That no class suffers for want of a teacher. (In her own case she shall make arrangements for the conduct of her own duties before she takes leave from the Secretary or leaves the School during working hours); and
- (j) That every teacher shall be, by turn, in charge of the students during the recreation period.

45. The Head Mistress shall exercise strict supervision over the discipline and teaching of the classes, and shall see that pupils show proper respect and due obedience to their teachers. She shall immediately report to the Secretary for the orders of the Governing Body any cases in which, in her opinion, the extreme penalty of expulsion or dismissal should be inflicted on a pupil or a teacher.

46. No fees shall be received from the pupils without giving them due receipts.

47. All the teachers, pupils and servants of the school shall be under the control of the Head Mistress.

48. The Head Mistress shall receive, consider and dispose of all complaints that may be brought to her by parents or guardians of pupils against pupils or servants of the school.

49. The Head Mistress may, if she thinks it necessary, report to the Secretary the conduct of any teacher which she considers unsatisfactory.

50. The Head Mistress shall see that teachers prepare notes of their lessons.

51. The Head Mistress shall select examiners for conducting the yearly examination, and shall send a copy of the list to the Secretary for approval.

52. The Head Mistress shall cause to be prepared an inventory of the property of the school which shall be checked twice every year before and after the long vacation and forwarded to the Secretary.

53. The Head Mistress shall see that the catalogue of books in the Library is corrected up to date, and shall check the books at least once a year.

General.

54. These rules may be amended in any way by the Governing Body at a meeting of which due notice is given.

NOTIFICATION OF DATES FOR PUBLIC SERVICE COMMISSION EXAMINATIONS.

258. **Mr. S. C. Mitra:** (a) Will Government be pleased to state the date on which the notification regarding the last qualifying examination of the Public Service Commission for recruitment to the Government of India offices was issued?

(b) Will they be pleased to state the date on which the last qualifying examination was held?

The Honourable Sir James Crerar: (a) On 24th September, 1929.

(b) On 4th and 5th November, 1929.

NOTIFICATION OF DATES FOR PUBLIC SERVICE COMMISSION EXAMINATIONS.

259. **Mr. S. C. Mitra:** (a) Is it a fact that a qualifying examination of the Public Service Commission for departmental candidates will be held on the 31st March, 1931?

(b) Will Government be pleased to state whether the departmental candidates who are to sit for the examination are informed about the qualifying examination? If so, will Government be pleased to state the date on which such a notification was issued?

(c) Are Government aware that the departmental candidates who appeared in the last qualifying examination of the Public Service Commission were informed three months before the examination was held? If so, do Government propose to extend the same privilege to those departmental candidates who are appearing in the ensuing qualifying examination? If not, why not?

The Honourable Sir James Crerar: (a) The qualifying examination will be held on the 30th March, 1931.

(b) Intimation of the date of the examination was issued to Departments on 21st February, 1931, but it has long been known that an examination was in contemplation.

(c) From my replies to question No. 258, it will be seen that the facts are not as stated by the Honourable Member, and the reply to the second part of the question is, therefore, in the negative. I may add that in the opinion of the Government of India, the notice given on the present occasion is adequate in view of what is stated in reply to part (b).

EXEMPTION OF CERTAIN CLERKS FROM THE QUALIFYING EXAMINATION OF THE PUBLIC SERVICE COMMISSION.

260. **Mr. S. C. Mitra:** (a) Is it a fact that a few members of the Legislative Assembly have already given notice of a resolution recommending the exemption of clerks who have served for more than a year from appearing in the examination to be held by the Public Service Commission?

(b) If so, do Government propose to postpone the examination until the discussion of the resolution? If not, why not?

The Honourable Sir James Crerar: (a) Yes.

(b) No. I would invite the Honourable Member's attention to the reply I gave to part (d) of Mr. D. K. Lahiri Chaudhury's question No. 758 on the 2nd instant.

EXEMPTION OF CERTAIN CLERKS FROM THE QUALIFYING EXAMINATION OF
THE PUBLIC SERVICE COMMISSION.

261. Mr. S. C. Mitra: (a) Will Government be pleased to state the number of temporary clerks of the Railway Board who were confirmed in 1929 and 1930?

(b) Is it a fact that a number of clerks of the Railway Board were exempted from appearing at the examination of the Public Service Commission on the grounds that they had been serving satisfactorily for more than one year?

(c) If the answer to part (b) above be in the affirmative, do Government propose to extend the same privilege to those temporary clerks of the Government of India offices who have been serving satisfactorily for more than one year? If not, why not?

The Honourable Sir James Crerar: (a) No temporary clerks of the Railway Board were confirmed in 1929 and 1930.

(b) No.

(c) Does not arise.

1262-263.

CONFERENCE ON RECRUITMENT OF STAFF OF GOVERNMENT OF INDIA
OFFICES.

264. Mr. S. C. Mitra: Is it a fact that a departmental conference to discuss the question of future recruitment of ministerial staff of the Government of India offices took place on the 2nd December, 1930? If so will Government be pleased to lay on the table a copy of the proceedings of that conference? If not, why not?

The Honourable Sir James Crerar: The reply to the first part of the question is in the affirmative. As regards the second part, the Conference as the Honourable Member himself says, was a Departmental one. It is not the practice to make the proceedings of such conferences public.

OFFICES EXEMPT FROM PUBLIC SERVICE COMMISSION EXAMINATIONS.

265. Mr. S. C. Mitra: (a) Is it a fact that the undermentioned offices of the Government of India are not under the scope of the Public Service Commission:

Director of Contract, Military Accountant General, Director of Army Audit.

(b) Will Government be pleased to state their reasons for withholding the same privilege from those temporary clerks who are serving satisfactorily for one year in the Government of India offices?

The Honourable Sir James Crerar: (a) Yes, except that recruitment to the Routine Division of the office of the Military Accountant General is made through the Public Service Commission.

†These questions were withdrawn by the questioner.

(b) The Honourable Member apparently wishes to suggest that temporary men in offices recruited through the Public Service Commission should be confirmed without being required to pass the tests of the Public Service Commission. The offices recruited through the Public Service Commission must conform to the rules laid down for such recruitment, and these require that the tests prescribed by the Public Service Commission must be satisfied. Temporary clerks who have served satisfactorily for one year have been made eligible for the qualifying examination of the Public Service Commission to be held at the end of this month, provided they satisfy the educational and other requirements.

THE GENERAL BUDGET—GENERAL DISCUSSION—*contd.*

Mr. President: The House will now resume the general discussion of the Budget.

Seth Haji Abdoola Haroon (Sind: Mulhanunadan Rural): I must congratulate the Honourable the Finance Member on the sweet language he has used in the Budget. He wants us to allow him to swallow 15 crores of rupees taxes easily. Considering that point, I have something to say on the Budget. If you go through the Budgets from 1921-22, you will find that this Government have imposed fresh taxes through this Assembly every year. I cannot speak for other Members, but speaking for myself, I find that I get very little time to consider it properly and to read previous records. From what I have been able to see, Government imposed fresh taxes on the public to the extent of 8 crores 17 lakhs in that year. In the year 1922-23 the deficit in the Budget was about 22 crores. I am unable to find out the exact figures, but I do remember that at that time something like 15 crores were imposed on the public. From 1923-24 to 1929-30 you will find various sorts of new taxes imposed on the public in a round about way, namely, protection Bills for the Tata steel industry, the Gold Thread Bill, the Bolt and Nut Bill and so on. In 1930 no less than 7 to 8 crores of additional taxation was imposed and this year unfortunately more than 14½ crores additional taxation is sought to be imposed on the public. If you calculate carefully, you will find that in the last ten years about 45 to 50 crores of additional taxation has been imposed on account of deficits in the Budgets. I do not know how long the Government will go on imposing fresh taxes. The time has come when the people are unable to pay more taxes. In 1921-22, you will find that the Government's income was 115 crores, whereas last year it was 12½ crores. If in spite of imposing 40 to 50 crores of new taxation, they can get only 7 or 8 crores, it shows that on account of raising the taxes the people are unable to pay, and therefore trade is suffering heavily and people are unable to purchase anything because they have no money left. The price of India's produce went down and down. I shall give you only last year's instance. According to the Budget estimate in 1930, our income was 130 crores and they were expecting 140 crores this year, whereas there is a deficit of about 17 to 18 crores. In my opinion the deficit is more than 17 crores. Again in this year the Honourable the Finance Member has imposed fresh taxation of 14½ crores of rupees. So the Honourable Member has estimated for this year an income of 135 crores. But in my opinion, unless some miracle happens, you can hardly collect even 125 crores next year, because, if you

[Seth Haji Abdoola Haroon.]

go through the figures for the last ten years, you will find that as you go on raising new taxes, you have been getting less and less. That shows that the people in the country have not the capacity to pay you those heavier taxes. Sir, according to my opinion, this is not the way to balance the Budget, namely, by the imposition every year of fresh taxes, but the proper way is to cut your expenditure, do your work economically and as soon as possible. If you cannot reduce your expenses, then the mere imposition of fresh taxes will not enable you to balance the Budget any longer, as that can only be done by curtailing expenses and practising economy. As to that, the Honourable Member has given us some sort of assurance that he wants to do something in that direction. Well, I know the Honourable the Finance Member very well, and I know that he is very good-hearted, that he wants to do something for the economic betterment of the people of India, because fortunately I have had a chance of sitting with him on the Standing Finance Committee, and I have always found that he has at heart the minimising of expenses as much as possible. (Hear, hear.) But I find also that the different Departments of the Government are continually bringing forward their proposals for fresh expenditure in strongly-worded memoranda, and those memoranda of course a layman like myself cannot oppose suitably and properly, because, if something happens, then they will be able to say very easily, "Here you are, you have not sanctioned this expenditure; therefore all these things have happened". Therefore, in the face of all these reasons and memoranda of the different Departments, I always find the Honourable the Finance Member doing his level best to support us in pressing for the curtailment of expenses. But you know very well the condition and nature of the present Government, and I must use very mild words in describing that. It is like the story of a millionaire who died and then his son sitting at the table required something good for his house, furniture, motor cars, and so on and so on. Well, where will it all come from? So this Government at present—I say this regretfully—want all sorts of luxuries, all sorts of meticulous regularities, all sorts of fancy things,—well, I may not be able to express myself fully in English as I could if I spoke in Urdu. (*Some Honourable Members* "Go along, go along in Hindustani if you please.") But if I speak in Hindustani, my Honourable friend, the Finance Member, will not follow me. So my Honourable friends will see that the Government want all these sorts and grades and degrees of efficiency

Maulvi Muhammad Yakub (Rohilkund and Kumaon Divisions: Muhammadan Rural): And luxuries.

Seth Haji Abdoola Haroon: . . and efficiency means luxury. (Laughter.) Take any Department. The Executive Councillor in charge of it has several Secretaries and Joint Secretaries, and not only that, Deputy Secretaries, Under Secretaries and Assistant Secretaries, and still he may be asking for additional Under or Assistant Secretaries. We have however to accept whatever memorandum it may send to us. Now the Honourable Member has suggested two things for diminishing expenses. Firstly, he agreed with public opinion that possibly the pay of the various Government servants is too high. But what does he suggest to us? He says immediately after this session is over, the Government of India will try and confer with Provincial Governments and consider along with them what

should be the proper future pay of people who will hereafter join the service. The Government say, "We must decide that, but we are unable to do anything in regard to the present Government servants because we are bound by some sort of agreement with them", and so on and so forth. I quite agree with the Honourable the Finance Member in that, but what objection can there be if you reconsider some of the allowances which the Government are paying their servants—local allowances, house allowances. I am unable to see how many other allowances, sleeping allowances, walking allowances, marriage allowances, bachelor allowances—I do not know how many there are of these. You do not touch any of these, but if you had done so, I think you could have saved lots of money in this Budget. Well, although he seemed to agree with the popular cry about the pay of officials being too high, he suggested one way to meet that, namely, by the imposition of fresh income-tax. What is this? If you go through the memorandum, you will see that this is only between 2 to 5 per cent.—the income-tax imposed on Government servants. He is satisfied with that, but he penalizes the public by levying the same taxes on them also instead of reducing the pay of the officials; in fact he is penalizing the public for raising the cry that the pay of officials should be reduced, and telling them, "You should also pay more income-tax because the Government servants are paying more." This, then, is his first remedy.

The second remedy is with regard to the popular cry, "retrenchment", and he has suggested that he will ask the Assembly to select five persons to sit on a Retrenchment Committee, who will sit together with Government members on it to consider proposals and do something in this behalf. I must say, however, Sir, that both these suggestions of the Honourable the Finance Member are not such as to yield any practical results. Sir, I have a little experience of these committees, and I can say very clearly to the House that it will take a long, long time for anything to materialize. After they make their recommendations, the Government of India will have to consider them—and the various Departments will have to consider them and lastly the Secretary of State will have to consider them before sanctioning them. Thus it must in my opinion take about one, two or even three years before anything can be done. So my suggestion to the Honourable Member is this, that if he wants to do something—and I know he wants to do something in the direction of the economic progress and betterment of the people of India—then—of course I am not a lawyer but a lay man—if His Excellency the Viceroy can issue dozens of Ordinances to put down the civil disobedience movement, if he can do that, then in my opinion the time has come when the economic condition of the country has come to such a pass, that the financial position of India is about to break down very soon; and if that happens, it will not bring in merely a civil disobedience movement, but will bring about chaos and rebellion, and to meet that, in my opinion His Excellency the Viceroy should issue Ordinances giving all necessary powers to the Committees which will be presided over by the Finance Member to enable them to cut down all superfluous expenses. Sir, I am in favour of this democratic form of Government and I also know that in this Assembly we have got very able men. However, I wish to suggest that if the Government are sincere and are anxious to do something, then I must say that they should nominate to this Committee some business men of repute and also some other experienced men to go into various details. I can suggest, if I am asked, certain names both from this Assembly and outside it who would prove

[Seth Haji Abdoola Haroon.]

very useful. One or two politicians can also be appointed to that Committee, but they must have full powers in their hands. They must have full power to do away with a Deputy Secretary here and an Assistant Secretary there, and also to cut away the allowances should they think it to be necessary. I know that in my own city, Karachi, business is very slack and therefore many European firms have given one or two months' notice to their employees. They have told them that they are unable to pay them their present salaries. I know of a man who was in receipt of Rs. 500. His Manager said that as business was slack, he could not offer him more than Rs. 250. The man accepted this lower sum and was kept on. So, if the Committee is given such full powers by the Government of India, their work will prove very beneficial, otherwise there is no chance of improvement. You may appoint as many Commissions and Committees as you like, but unless you give them full powers, the result will be disappointing.

Sir, now I wish to appeal to my colleagues, especially the elected Members, to go through the Budget carefully. We belong to different parties and we are in different groups, but I can say that we are all of one mind to improve the economic condition of our country.

Mr. President: The Honourable Member's time is up and I would ask him to conclude his remarks in a couple of minutes.

Seth Haji Abdoola Haroon: We ought to go through every item, and if we find a tax to be beneficial to our country, we should agree to it, otherwise not. If we sit like business men, we are sure to do some good to our country. Lastly, Sir, I wish to refer to a remark of a great historian, Ibn Khaldoon, who travelled all over the world. In one chapter of his book he mentions how Empires are built and how they are destroyed. He says when a new tribe or a new king takes possession of a country, there is very little expense. At first they do not indulge in luxuries; they are hard-working and therefore they impose very few taxes on their people, with the result that the people enjoy their life, and peace reigns in the country. But once the Government is stabilised, the officials begin to love luxury, and as they are inclined to spend more money, naturally they impose more taxes. As the taxes are increased, discontent grows in the country, with the result that the Government have to put in a longer army and more police. This state of affairs lasts for some time. Then the Government find to their dismay that they cannot impose any fresh taxes and so they try to take the trade into their own hands. By doing so, they antagonise the merchants also. The mercantile people join hands with the other people, and this either leads to a revolution, or they approach the neighbouring Government to help them. Sir, I now ask the Members on the Treasury Bench to see what is happening to the present Government. They must try to see things as they are. Sir, I am thankful to you for giving me so much time. With these words I conclude my remarks and I wish to appeal to Government once more to pay heed to all that we have said.

Mr. R. K. Shanmukham Chetty (Salem and Coimbatore *cum* North Arcot: Non-Muhammadan Rural): Sir, there is one aspect of the Budget to which very little attention is generally given in the non-official criticisms of the Budget. I refer to the ways and means Budget, which, from my point of view, is in certain respects even more important than the revenue

and expenditure Budget. I propose, therefore, Sir, to approach the Budget from an examination of the ways and means operations, because I am convinced that the methods pursued by the Honourable the Finance Member in his ways and means operations have a more immediate effect on industry and trade than a surplus or deficit Budget. Last year in his Budget speech the Finance Member forecasted that he would raise 27½ crores of rupee loan and that he would borrow a sterling loan of 6 million pounds and provide for the Treasury Bills to the extent of 20 crores of rupees remaining in the hands of the public. That was a modest and reasonable programme which he had forecasted. But what is the position in which he finds himself today? In his revised estimates he now tells us that his rupee loan for the current year is 29·71 crores of rupees, that his sterling loan has amounted to the enormous sum of 31 million pounds, and that he expected at the end of the financial year to find 45 crores worth of Treasury Bills in the hands of the public. In his own words, the ways and means position has deteriorated to the extent of 64½ crores of rupees. That, Sir, I submit, is a very serious position, a position to which my Honourable friend must pay very serious attention indeed.

In passing, I would invite the attention of my Honourable friends to the circumstances and the manner in which the new rupee loan was issued last year. My Honourable friend the Finance Member announced that he was issuing a loan for an unlimited amount and any one who knows the psychology of the money market would at once say that such an announcement by itself acts as a distinctly bearish factor on the money market. The list for the new loan was kept open for ten days and in spite of that, if I remember aright, the cash subscription was only 12 crores of rupees. The management of the ways and means position in such a manner has very seriously affected the money market and through the money market, the industry and trade of this country during the current year. I would ask my Honourable friend just to analyse what exactly is the result on trade and industry of the adoption of ways and means policy of this kind. When the Government want to borrow an enormous sum, they have naturally to pay higher rates of interest. Heavy borrowing, therefore, leads to high rates of interest. High rates of interest for the new loans mean depression in the value of the existing Government securities. Depression in the value of Government securities means loss of confidence on the part of the investing public. The direct effect of this loss of confidence is the flight of capital from the country abroad and in this connection, Sir, I would remind my Honourable friend that if there has been a flight of capital during the last year to the extent of 40 or 45 crores of rupees, it is not so much due to the political disturbances that prevailed in the country, but to the loss of confidence in the gilt-edged securities which the policy of my Honourable friend engendered. (Hear, hear.) And, what is the effect of the flight of capital? Flight of capital means, the Finance Member resorting to stringent measures for contraction of the currency to maintain exchange, and contraction of currency in its turn reacts unfavourably on trade and industry and thereby increases the economic depression. If my Honourable friend attributes his difficulties to economic depression, I would submit to my Honourable friend that the way in which he manages the ways and means operations in its turn reacts upon the economic depression, and instead of relieving, it accentuates the economic depression. That, Sir, is exactly what happened in 1930.

[Mr. R. K. Shanmukham Chetty.]

As a digression, I would just mention a few words with regard to the policy of contraction of currency, about which my Honourable friend the Finance Member gave an elaborate *apologia* in his Budget speech. My Honourable friend took an estimate of the number of rupees in circulation at a particular period, then he took the volume of the rupee circulation at the present moment and struck out a percentage of decrease. He compared it with the fall in the index figures of wholesale prices and came to the conclusion that the contraction of currency which he effected was not an unhealthy contraction. Sir, in the short time at my disposal, it is not possible for me to enter into an elaborate analysis of the fallacy underlying my Honourable friend's argument. I would only mention two points in this connection and rest content with that. The estimate that he has made of the total number of rupees in circulation is at best guess work. We know how many rupees have been minted so far and we know how many of these rupees have come back to the Paper Currency Reserve and how many rupees remain in the treasuries, but we cannot make any accurate estimate of the number of rupees that were melted during the war, when the bullion value of the rupee was higher than the face value of the rupee. We cannot with any accuracy estimate the total volume of rupees that have gone beyond the borders to Afghanistan, Nepal and Tibet. We cannot estimate how many rupees have been buried in hoarded treasures, and therefore any estimate that is attempted of the volume of rupees in circulation can at best be guess work. Even if my Honourable friend wants us to draw a conclusion from a comparison of the percentage of contraction that he has made to the percentage of fall in the wholesale index figures, he must, to make the comparison fair and accurate, take the active rupees and notes in circulation and not the gross volume of rupees and notes in circulation. Sir, I will leave the question of contraction at that and return to my criticism of the ways and means Budget.

My Honourable friend has taken stringent measures to balance his Budget for the coming year, but I would respectfully submit to him that more important than even balancing the Budget would be the way in which he strengthens his ways and means position for the coming year. In this connection, I must congratulate my Honourable friend because he is in a strong position with regard to his operation of the ways and means position for the next year. He has told us in the Budget that he would be requiring only $7\frac{1}{2}$ crores of rupees of new money and that in England he proposes to have a conversion loan of 15 million sterling. These two are factors which are distinctly in his favour, and there is a third factor which also must be in his favour very distinctly. Any one who takes the trouble of looking into the composition of the Paper Currency Reserve at present would know that the amount of treasury bills in the Paper Currency Reserve is only about 3 to 4 crores of rupees. I hope I am right in my figures. We have only to make a guess. The statement does not enable us to find out how much there is in rupee securities and how much of treasury bills there are in the Paper Currency Reserve. I take it, it is certainly not more than 5 crores of rupees. There again is an advantageous position for him. Even if he finds his hands forced to contract the currency for the coming year, he need not resort very much to the cancellation of the Treasury Bills in the Paper Currency Reserve and thereby create complications for himself in his ways and means Budget. There is still a fourth factor which has come

into existence last evening, and that is the anticipation of normal political conditions in the country. (Hear, hear.) Sir, these four are factors which are distinctly in favour of my Honourable friend, the Finance Member, and if only he will utilise these factors carefully, then I submit that he would considerably strengthen his ways and means position for the next year.

In dealing with the ways and means position for the next year, my Honourable friend has assumed that he would be able to remit through the open market 35 million sterling to the Home treasury, and he expects to find a part of the Treasury Bills in the hands of the public. I hope, Sir, that as a result of trade coming back to its normal condition, he would be able to purchase sterling bills in the open market and remit 35 million pounds as he anticipates to the Home treasury. I would therefore devote my attention to the finding of the Treasury Bills in the hands of the public. Though my Honourable friend expects that at the end of the current year, there will only be 45 crores of rupees of Treasury Bills in the hands of the public, many of my Honourable friends may not know that at the present moment the total volume of Treasury Bills in the hands of the public amounts to the colossal figure of 52 crores of rupees. Such a dependence of the Government on Treasury Bills has placed them simply at the mercy of bankers and the money market. Sir, if you consider the size of the money market in India, the available liquid resources in banking circles, the elasticity pertaining to Treasury Bills in the Indian Money market, and if you still further consider the fact that those who avail themselves of the Treasury Bills are only banks and insurance companies, then we can safely come to the conclusion that the Indian money market cannot afford to invest more than 12 Noon. 15 to 20 crores of rupees in Treasury Bills. When that is the

real fact, my Honourable friend has taken from the money market the colossal sum of 52 crores in the form of Treasury Bills. If you look at the rates at which these Treasury Bills are purchased, you will find how much Government is at the mercy of the bankers. Sir, in this paper, *Indian Finance*, which I recommend to every Honourable Member in this House to read as probably the best magazine on the subject, I find that on the 27th February the interest rate for three months deposit was $5\frac{1}{2}$ per cent.; and on the same day the average rate of discount for Treasury Bills was $6\frac{1}{2}$ per cent., the real rate of interest being $6\frac{3}{4}$ per cent. In a healthy money market where Government is in a strong position there must be a difference of at least 1 per cent. between Treasury Bills and the three months deposit rates in favour of the Government. If three months deposit rates are $5\frac{1}{2}$ per cent. Government must be able to purchase their Treasury Bills at $4\frac{1}{2}$ per cent., whereas the position today is that the rate for three months deposits is $5\frac{1}{2}$ per cent. and Government are paying $6\frac{3}{4}$ per cent. on their Treasury Bills. Surely my Honourable friend the Finance Member cannot attribute the increase in the rate of Treasury Bill borrowing to political causes, because the class of people that invest in Treasury Bills belong to a class which are not affected by political considerations. Is it contended that Banks and Insurance Companies which are the primary factors in Treasury Bill operations, have really been affected by the political unrest that has prevailed during the last year? I submit it is not so.

Last year my Honourable friend added to his difficulty when, immediately after the list for the new loan was closed, he asked for further

[Mr. R. K. Shanmukham Chetty.]

tenders for Treasury Bills and accepted in the very next week Treasury Bills to the amount of over two crores of rupees. That again placed my Honourable friend at the entire mercy of the bankers. I would, therefore submit that the task before my Honourable friend for the coming year is to reduce the rates of interest and to fund the greater part of the Treasury Bills; and in this I want to give him a constructive suggestion. The gilt-edge market in India has become very depressed and I said in the earlier part of my speech that the high rates that the Government had to offer for new loans had depressed the gilt-edge market. I would therefore advise my Honourable friend now to get a hold on the gilt-edge market and adopt measures by which a fall in the value of gilt-edge securities will be prevented. And I would tell him how he would have to do it. We know from the Budget that my Honourable friend has set apart a sum of 6.17 crores of rupees as a sinking fund. Now it must be conceded that when year after year Government have got a huge capital programme of expenditure, any amount that is set apart as a sinking fund practically comes to this, that you take from revenues a certain amount to spend on your capital expenditure. Now I would submit to my Honourable friend that this sinking fund provision that he makes every year must enable him so to employ that fund as to give him a grip on the money market and enable him to borrow money at a cheaper rate. For that purpose I would suggest to him that he must enter into open market operations in gilt-edge securities. When Government securities go down in the market, let my Honourable friend utilise three to four crores of the sinking fund, enter the open market and purchase gilt-edge securities in the open market. The moment he does that I can assure you that there will be a revival of a healthy tone in the gilt-edge market. But then it might be asked, is not this a tall order? Will two or three crores of rupees be sufficient to enable Government to enter the open market operations in this respect? I would say, yes. Because if you analyse the class of investors that invest in Government securities, you can divide them into two classes, those that want to invest their money and go to sleep, and secondly, those who speculate in investments. Those who know the money market have assured me that the amount of gilt-edge securities floating, as it were, in the market and disturbing the market amounts to only about 3 or 4 crores of rupees. If therefore my Honourable friend will use 2 or 3 crores of rupees of the sinking fund and enter the open market to purchase gilt-edge securities when they are depressed, he will not merely restore confidence in the minds of the investors in Government securities, but he will get a grip on the market and thereby create the position of dictating to the market about the rates of interest, instead of being at the mercy of the bankers as he is at the present moment. Even though political unrest may disturb the confidence of the people in Government securities, this operation on the part of Government will restore confidence. It may not be even necessary for my Honourable friend actually to enter the open market. If only tomorrow he, on behalf of the Government of India, will declare that they have adopted a policy of entering the open market to hold gilt-edge securities at a level, that by itself will be a factor which will restore confidence and bring about a healthy tone in the gilt-edge market. Sir, in doing this he will be getting the co-operation of the bankers also, because as matters stand at present,

bankers who invest a great part of their money in gilt-edge securities find at the end of the year that the securities have depreciated and they have to write off a great part of their profits to the depreciation account of the gilt-edge securities. If the value of the gilt-edge securities is kept steady by these open market operations, he will come to the rescue of the bankers also in maintaining the value of their investments in gilt-edge securities. That, Sir, is the constructive suggestion that I have been able to make in the short time at my disposal. As regards the analysis of the other parts of the Budget, I will reserve it for a later stage when the Finance Bill is taken into consideration. My Honourable friend concluded his Budget speech by saying, "I have tried in these proposals to measure the needs fairly and to meet them fully." I would have wished that he should have measured the needs fully and met them fairly. Whether he has met them fairly, I shall analyse at the time of the consideration of the Finance Bill.

Maulvi Muhammad Yakub: Sir, after full one year we meet this morning in a different atmosphere. For the last 12 months the country has been passing through great disorder and disturbances, and therefore the peace which has been restored as a result of the negotiations between His Excellency the Viceroy and Mr. Gandhi must be welcomed by every lover of peace in this country. I hope that these changed conditions will also change the financial position in this country. We owe, in this respect, a great deal of gratitude and we pay our humble tribute to His Excellency Lord Irwin for the statesmanship, sympathy and broad-mindedness which he has shown in bringing about the results which were announced by you in this House last evening. I am sure that Lord Irwin's name will go down in the history of India as a great friend of India, as well as of England. We also owe a great deal of gratitude to Mr. Gandhi, Dr. Sir Tej Bahadur Sapru, Mr. Srinivasa Sastri and Mr. Jayakar for the part which they have played in bringing about this happy result. Although much has been achieved, still more remains to be done, and now that a good beginning has been made, I hope that the second step will soon be taken and the knotty Hindu-Muslim problem will also be solved in a manner that will bring the salvation of India within practical politics.

Now, coming to the Budget proper (Hear, hear), I submit that I am not at all surprised at the Budget which the Honourable the Finance Member presented before the House on Saturday last, with a deficit of over 14 crores of rupees. The general depression in the world markets, the disturbed conditions in India and the general fall in the price of products gave an indication of the difficulties which we were likely to face; but I am really surprised at the manner in which the Finance Member has presented his Budget, and he really deserves our congratulations, not for the Budget that he has presented, but for the skilful manner in which he has put his case before the House. Probably the speech which he delivered on Saturday last was a masterpiece of financial oratory.

In order to meet the deficit in the Budget it was necessary for the Finance Member to increase some of the taxes. He has levied several taxes to raise the money required, but one of the taxes which will hit hard the people of the country more than any other tax is, I think, the income-tax. This tax may not hit the Government servants so hard, as they draw a definite salary every month; but it will certainly hit very hard the men of the various professions and also the middle class man of business, whose

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capacity to pay taxes has already been exhausted and has reached the breaking point.

Much has been said about retrenchment, and I think that the Finance Member himself has agreed to a certain extent that retrenchment is necessary to bring the finances of the country to a sound basis. I am unable to agree with my friend, Diwan Bahadur Ramaswami Mudaliar, that the Retrenchment Committee, which has been proposed by the Finance Member, will do no good, and that it will bind the hands of his successors. On the other hand, I should think that this is the proper time when a retrenchment committee should be formed, because when we have responsible government in one or two years' time, they will not have to bear upon themselves the odium of starting with making retrenchments in their salaries and in the expenses, and I think that the new Government, when it comes into power, probably will be benefited by the results and proposals of this Retrenchment Committee. Of course no responsible person can agree to give those excessive powers to this Retrenchment Committee which have been proposed by my Honourable friend, Mr. Abdoola Haroon. The question of retrenchment is not such an easy one that you can give all powers to dismiss, to suspend and do whatever you like to a small committee. The finances of a big country, like India, cannot be dealt with in the manner in which the finances of a business trading company at Karachi are dealt with.

Seth Haji Abdoola Haroon: Then you cannot do anything.

Maulvi Muhammad Yakub: If you cannot do anything without giving those powers to the Committee which you propose, then, I think we Indians show our bankruptcy in brains.

Much has been said about the expenses of the Army, and I also quite agree that there is a great deal of extravagance in the Army; but the question of retrenchment of the expenditure of the Army is entirely interdependent upon the position of the frontier of India; and in this connection I would point out to the Government that, unless they take immediate steps to bring about peace and contentment on the North-West Frontier, we can never have any hope of making economy in the expenditure of our Army. Although the question of retrenchment is a difficult one, I think there are some Departments of the Government of India in which retrenchment can be effected without great difficulty.

For instance, there is the Ecclesiastical Department of the Government of India, on which we spend Rs. 80,17,000. I do not see any reason why, when the Government of India are not spending a single pie for the upkeep of the temples of the Hindus or the mosques of the Muslims, or for the spiritual benefit of the people of India, they should be allowed to spend Rs. 80 lakhs for the Ecclesiastical Department. I think that this Department should be immediately abolished (Opposition Cheers) and the Indian exchequer should not be burdened with this expenditure. This ought to be the business of charitable societies in England or America. In India the Hindus and Muslims have to pay from their own pockets for the upkeep of their temples and mosques and for keeping their preachers and *pujaries*. Why should the order of my friend, the Revd. Mr. Chatterjee

The Revd. J. O. Chatterjee (Nominated: Non-Official): I do not get a single pie out of it.

Maulvi Muhammad Yakub: I was not referring to my friend, Mr. Chatterjee, I was referring to the order of my friend, the Revd. Mr. Chatterjee: why should they draw any money out of the exchequer of the Government of India?

• **The Revd. J. C. Chatterjee:** By all means.

Maulvi Muhammad Yakub: Then there is another Department under the Home Department, the Intelligence Bureau of the Government of India. We are spending next year Rs. 7,11,400 for this Department, and out of this sum, a huge sum of Rs. 2,60,000 is spent on secret service, for which there is no check. It is not even audited by anybody, and we do not know in what form and in what way this secret service money is spent. I submit, Sir, that this is a Department in which retrenchment can be effected without much difficulty, and steps ought to be taken in this direction without much delay.

Now, Sir, I belong to the United Provinces which, I think, is the largest landholders' province in the whole country, and on this occasion, I wish to draw the attention of the Government of India to the extremely difficult condition in which the zemindars of my province are placed. We know, Sir, that at the time of the last settlement, the price of produce was very high; for instance, in those days wheat was sold at Rs. 4 or Rs. 5 per maund, and Government revenue was fixed on the basis of those prices. Now, the prices of produce have very much gone down; wheat is now sold at Rs. 3 or Rs. 3-8-0 per maund; in some parts the price is about Rs. 2 or Rs. 3 per maund.

Mian Muhammad Shah Nawaz (West Punjab: Muhammadan): The price is not more than Rs. 2 per maund on the field.

Maulvi Muhammad Yakub: The result is that the capacity of the landholders who pay Government revenue has not only been exhausted, but a large number of landed properties in the province are being mortgaged to money-lenders to pay the Government revenue. The tenants also find themselves in a very difficult plight. Their rents were fixed at a time when their produce yielded higher prices than today, and consequently they are unable to pay their quota of rent to the zemindars. The result is that there is a great deal of discontent amongst the zemindars as well as the agriculturists, who are the backbone of the Government, and it is high time that the Government of India should take some effective steps to relieve the distressed condition of these people. In the United Provinces since the last Tenancy Act of 1926 was passed, the position of the landholders has become very difficult, and the price of land has fallen by 8 annas in the rupee. Landed properties in the U. P. which, even during the great war, were sold at Rs. 35 or Rs. 40 per thousand—that is to say an income of about Rs. 40 or Rs. 50 per year,—was sold for Rs. 1,000, but now it is offered at Rs. 70 or Rs. 80 per thousand, and yet nobody comes forward to purchase these properties. So on account of this Act of 1926 the value of the landed property has very much gone down, and the condition of the tenants, for whose benefit this Act was passed, has not improved in any way either. I therefore draw the attention of the Government of India to direct the attention of the U. P. Government to look into these conditions without delay, otherwise I am afraid that, whatever Government may be in power, whether the British bureaucracy or the Indian oligarchy, there are bound to be very serious agrarian disturbances in the country.

[Maulvi Muhammad Yakub.]

Sir, I have already welcomed the appointment of the Retrenchment Committee, and I hope that it will be a really representative Committee of experts, and that the results of this Committee will form the basis of framing the future financial policy of the Government of India, and let us hope that with the restoration of peace in the country, next year our Budget will not be as gloomy as it has been this year.

Raja Sir Vasudeva Rajah (Madras: Landholders): Sir, while I recognise, and recognise fully, that the Government are passing through a period of great financial difficulty and that the Financial Member's task in trying to make both ends meet is both a heavy and perplexing one, I, as a landholder myself and a representative of that class, feel bound to ask the Honourable the Finance Member and the Government of India not to lose sight of the great difficulty and helplessness in which we ourselves have been placed to balance our family budgets in this year of unusual severity and stringency. There is not a single province where the agriculturists are not this year asking for remission of land taxes, postponement of *kists* and so on, and while they find it so very difficult to meet their existing burdens, I really fail to see how they are going to face additional burdens at such a time. I know in my own province, the prices of grains and other agricultural produce have gone down by 40 to 50 per cent. since last year and that they are now even below pre-war rates. This I may state without any fear of contradiction. We have no resources that are elastic and we cannot either make the land produce more in a moment's time nor increase our rents from our tenants, who on account of the last two years' distress are already on the verge of starvation and despair. The groundnut industry has been ruined beyond recovery, the cotton market has been seriously affected and our paddy, cocoanut, pepper and other valuable products have all deteriorated in prices beyond description. Added to these are the vicissitudes of the seasons and floods in many parts of the country that have completely devastated thousands of acres of cultivated lands in my province. The Finance Member says in his introductory speech, "Crops during the agricultural season 1929-30 were fairly good and the monsoon of 1930 was generally normal, producing, on the whole satisfactory results". This description based on an average calculation reminds me of an interesting episode. A school-master who was a mathematician wanted to ford a river that was in flood and enquired of the people near by what the depth of the water in the river was. They told him that it varied in different places, that it would be from one to ten feet and that it would be about ten feet in the middle of the river. He calculated the average depth of the water from this description and found that it would be only somewhere between three and four feet. Thereupon he made bold to cross it and got drowned in deep waters. The Finance Member's description of the crops and the monsoon as generally normal on the whole approximates this mathematician's calculation of the average depth of water in the river with disastrous effect. He also forgets the fact that even though the rainfall may be normal, or even more than normal, it will be of no use unless it is timely and distributed over the whole season in a satisfactory manner. Those who know anything about the real agricultural conditions of our country will bear me out when I say that these conditions during the last two years have been far from satisfactory. Owing to all these circumstances the Government of Madras

have, within the last two or three weeks, been obliged for the first time to appoint a committee of officials and non-officials to enquire into the economic condition of the agriculturists. Applications for remissions and postponement of *kists* are now the order of the day in Madras, but every one knows how difficult it is to satisfy the departmental rules and to obtain redress. Such is the state of affairs in my province. The majority of the people who will be called upon to bear these additional burdens, if levied, will be the same persons who are now obliged to borrow heavily to meet even the present demands. It may be that you are able to recover these taxes or even more for the time being by coercive processes, but I am sure this policy at a time like this will bring about misery and discontent. I am afraid there is very little margin left to tap from the people at present and it is the duty of the Government, to whose charge the welfare of the country is committed, to explore all other avenues before this drastic step of high additional taxation is resorted to. This is a time when both the Government and the people should show mutual sympathy and it cannot be asked for from one side alone. I would go further and say that we require more sympathy in the deplorable position in which we find ourselves today than what Government is entitled to from us.

Retrenchment is the only way out of the difficulty and it must be carried out boldly, rigorously and without hesitation. But in view of the strong plea for sympathy and co-operation which the Finance Member has made, and realising as I do our own responsibility towards finding ways and means with which the Government has to be carried on in a spirit of reciprocal sympathy, I would suggest that at least half the deficit should be met by retrenchment and the other half by additional taxation, which should be confined only to classes who can afford to pay and not to the middle or lower classes, who, I am convinced, are not at present in a position to meet even their present obligations without hopelessly getting into debt. After all the Government have to look to the contentment of the people and the peace of the country which will in themselves pay in life long run more than any additional taxes of an irritating nature that you may immediately levy to find a ready and easy means of meeting the Budget deficit. I therefore strongly plead for further retrenchments in whatever directions you can make them. I hope the committee that is to be appointed for this purpose will go fully into this matter realising their responsibility to the millions of our countrymen.

Though I cannot speak with the same knowledge or authority on commercial or trade conditions as on matters agricultural, I am not wholly unfamiliar with them. As the Managing Director of a mill in the Coimbatore District where there are three or four dozen mills of similar nature, I may say from experience that most of the mills have been seriously affected, and the mill which I am managing is also similarly hit. For these reasons I would seriously ask the Finance Member to reconsider his proposals, keeping prominently in view our own difficulties.

[Mr. N. R. Gunjal (Bombay Central Division: Non-Muhammadan Rural) delivered a speech in Marathi, a translation of which will be printed later as an appendix to these proceedings.]

Lala Hari Raj Swarup (United Provinces: Landholders): Sir, let me first congratulate the Finance Member on the lucidity with which he has presented his Budget statement. How much I wish I could congratulate

[Lala Hari Raj Swarup.]

the Honourable the Finance Member on the substance of what he has said, but in a speech covering 128 paragraphs and odd the Finance Member has to announce no measures of relief and no constructive schemes of economic uplift of those dumb millions of our population who constitute the agricultural classes, and whose prosperity or adversity ultimately determines the condition of the Central and Provincial finances. It has rather been a remarkable feature of the recent utterances of the Honourable Sir George Schuster to refer to the question of the well-being of the masses in sweet terms. Often times he has shown himself to be very anxious to take substantial steps to promote their economic condition. For three years now he has controlled the finances of India. What substantial steps has he taken to improve their lot? He has on the other hand saddled them with additional taxation to the tune of 20 crores of rupees in the course of two years. If the Finance Member had brought forward good schemes for the development of the country, we would have faced our constituents squarely and told them that the additional taxation was intended for their own benefit. Frankly we desire to be no party to additional taxation which is only intended to run the existing administrative services. In other countries like America, rates of income-tax have gone down, while in India, they have successively risen even after the war. Although so much work of administration has now fallen on the shoulders of Provincial Governments, our Government in the centre continues to be top heavy. It is not only the question of a cut in the pay and allowances of the services, I strongly advocate the abolition of various high salaried posts in the centre, the incumbents of which justify their existence by the amount of work that they can create for themselves.

Then, Sir, it was promised last year, and the hope has been thrown out this year too, that the Finance Member is anxious to augment the resources of Provincial Governments. Sir Walter Layton has also reported in the meantime on the subject of financial relations. What tangible steps has the Honourable the Finance Member taken to relieve the provinces? Most of them have presented deficit Budgets. What substantial steps does the Finance Member propose to take with a view to come to their rescue? Their axe is likely to fall on the expenditure on nation-building departments such as education. I have strong reasons to believe that not only in my own but also in the neighbouring provinces the grants of educational institutions are being curtailed. That being so, what part of the proceeds of the income-tax will be handed over to the Provincial Governments as their share of additional revenues?

The more minutely I examine the Budget, the more irresistible is the conclusion drawn in my mind that the Government financial policy is leading us towards the high road to bankruptcy. They have been borrowing at higher and still higher rates during the last four years. The rupee loan of 1927 was raised at 4 per cent., that of the following year at 4½ per cent. In 1929 the rate was raised to 5 per cent. and this year it is well-known that we have borrowed at 6 per cent. in India when the Mysore Government has successfully put through her two issues at 5 and 5½ per cent. That is the high credit which the Government of India enjoys in the Indian money market. The fact is that the Government's recent borrowing operations have been extremely extravagant and betray a panicky state of mind. In answer to a question of mine, the Finance Member

admitted the other day that the bank rate in Paris and New York was 2 per cent. and that in London it has long been 3 per cent. Even then there is an export of capital from this country and a stringent money market. With all his high rates of money in the Indian money market, he has not been able to check the flow of capital to foreign countries. Is not there something radically wrong with the financial administration of this country. Is it not due to the lack of confidence of the public in the Government's policy?

The fact is that the Government have been borrowing with both hands and in both the countries for all sorts of defined and undefined purposes. Can the Finance Member point to a single instance in the previous financial history when any of his predecessors had to approach the London money market four times within the brief space of 13 months and that virtually at rates ranging between 6 and 7 per cent. excluding underwriting charges of $1\frac{1}{2}$ per cent., when funds in London are plethoric and money so cheap? The Finance Member is recklessly borrowing on short term conditions. He would leave a very good legacy, Sir, of maturing obligations behind for the edification of his successor.

We are told that Government borrowings are carried on for the purpose of investment in productive enterprises. Why have then the interest charges on the uncovered section of the debt risen from 10 crores 20 lakhs in 1928-29 to 12 crores in 1931-32? Why has then the provision for the redemption of debt increased from $3\frac{1}{2}$ crores in 1923-24 to nearly 7 crores in 1931-32? The fact is that what are called our commercial Departments live on doles from general revenues. They are not administered on strictly commercial principles.

The fact is that the Government's loan operations have exasperated feeling in the Indian money market. On top of that, the Finance Member appears to take credit for the lower bank rate this year which is lower than what it usually becomes for this part of the season. But is there at all a trade demand for money? Is not this year's rise of the rate due entirely to Government borrowings? Where are the trade bills in the market? Deny as the Finance Member may, in his anxiety to maintain the statutory rate of exchange, he has carried the process of deflation of currency beyond all legitimate requirements. If the fall of prices of commodities in India is a reflex of world conditions, why is the fall in India more than what it is in any other agricultural country? According to Dr. Meek, while in India the fall has been 25 per cent., in Australia and Canada it has been $20\frac{1}{2}$ and 16 per cent., respectively. Does it not conclusively establish that the process of starving the Indian money market has reached dangerous lengths and has accentuated the effects of depression?

Then, Sir, the Government have chosen to put their stock of silver in the market at a time when the price of that metal has touched its lowest point. I admit the cogency of the arguments advanced by the Finance Member with regard to the silver position of India in the world markets, but the Finance Secretary states in his Explanatory Memorandum that our sales have involved the country in a loss of 5 crores of rupees. I am not prepared to admit that better methods and times for the disposal of this stock could not have been planned without involving the country in a net loss of so many crores of rupees. This is the condition of our

[Lala Hari Raj Swarup.]

silver reserves in India. The Finance Member has failed to give any explanations in his Budget speech why he has been frittering away the gold resources in England.

The tale of our woes is long. The time at my disposal is short. In the end, Sir, I want to put forward a few definite suggestions for the consideration of the Government. The time is now ripe when we could take stock of things and find out ways of exercising a rigid control by the Finance Department on the working of our railways. An examination of the Railway Convention has long been overdue. Then, Sir, there is very great misapprehension in the minds of the public regarding the loan policy of the Government of India. In most other countries decennial, seven-yearly, quinquennial and triennial programmes of public borrowings and expenditure are prepared in advance. It is time that the Government formulated a definite policy regarding the programme of its borrowing and re-borrowing operations. Therefore I suggest that the Government do appoint a committee of officials and non-officials at an early date to go into the whole question of public borrowing in India in all its aspects.

Then, Sir, the Finance Member towards the close of his speech said :

"Connected with the subjects with which the Banking Committee are concerned, are two which have always seemed to me to be of dominating importance for India—the proper organisation of the marketing of Indian agricultural produce and the development of the co-operative movement."

One of the essentials is cheap money for the agricultural classes; and I want to make a suggestion, on the lines of what has been recommended by Mr. Bennett for Canada, *viz.*, that we should have some central financial corporation with backing from the provinces with a view to help the agricultural classes in their financial, productive and marketing operations. Everywhere something is being done with a view to control and stabilize the prices of agricultural commodities, and our Government alone is sitting on the fence and enjoying the spectacle of the ruin of the masses. Could they not even think of banning or restricting the imports of wheat into this country when we have got such a large surplus of the previous year, and the next harvest will soon come on the market? By imposing a duty on wheat at this time the Government, Sir, would be doing a double service. They would be gaining in revenues and they would be helping the agriculturist.

An Honourable Member: Not at all.

Lala Hari Raj Swarup: As regards the co-operative movement, I have some personal experience of this movement. Sir, it is starving for want of funds. I want to propose in this connection that the money in the Post Office Savings Bank and Post Office Cash Certificates should be earmarked for investment in co-operative societies and other societies having for their object village uplift. Another suggestion is that, as the Government annually purchase huge quantities of wheat and ghee for their military requirements, they could do it very usefully through the agency of the co-operative societies in the various provinces, as they could save so much money which is taken away by contractors as commission and utilize that for village uplift and thus directly help and finance the village movement.

Lastly, Sir, proposals for the transfer of additional revenues to provinces should at once be threshed out with a view to give timely help to provinces in their hour of need. In spite of all the pious intentions on the part of the Finance Member to hand over a solvent concern to his successor, I do not think, Sir, that he has so far done a single thing to deserve the encomiums of those who will shortly be called upon to shoulder his burdens.

The Assembly then adjourned for Lunch till a Quarter Past Two of the Clock.

The Assembly re-assembled after Lunch at a Quarter Past Two of the Clock, Mr. President in the Chair.

Mian Muhammad Shah Nawaz: Sir, the Budget deficits are the order of the day not only in India but in other countries as well. So far as India's finances are concerned, she now knows the worst. I daresay the Honourable the Finance Member, who is not now in his seat, feels his difficulties (*Honourable Members:* "He is coming with bundles of deficits"!) I was saying that so far as his finances are concerned, India now knows the worst. I daresay the Honourable the Finance Member has a difficult situation to meet and the Finance Department feels absolutely naked.

Baldly stated, we expected a surplus of 86 lakhs during the current year, we are faced with a deficit of 13½ crores. After the retrenchment amounting to nearly 3 crores, which we hope to give effect to, there remains in the new year's Budget, a very big gap of nearly 14½ crores to be bridged by new taxation. Now, Sir, new taxation in a poor country like India can never be liked, particularly at a time when the capacity of the people to pay is at its lowest ebb. The Government must realise that we are nearing the peril of the operation of the law of diminishing returns. At the very beginning of his speech the Honourable the Finance Member lamented the fall in the prices of agricultural products, but he has suggested no remedy. He ought to know—and I believe he does know—that the agricultural population of the whole of India feels extremely distracted and distressed. Never in the history of India was the agricultural population so distressed and nor had it suffered so much as it is suffering at the present time. And yet no remedy has been suggested to remove the wide-spread distress caused among the agricultural population of India owing to the fall of prices in agricultural commodities. There is no hope of a rise of the prices and the agricultural population must continue to suffer. That is an impossible state of things. I expected that the Honourable the Finance Member would levy a heavy duty on imported wheat; he has done nothing of the sort. Is it too much now to ask him that he should insert this duty in the Finance Bill? I am perfectly certain that he will have the support of the whole House. (*Several Non-Official Members:* "Yes".) He has no programme of borrowing; he cannot give money to the provinces, even at the risk of borrowing, so that the provinces in return may give relief to the agriculturists and advance money to them at easy rates of interest to meet their liability for payment of assessments and water rates. Nothing has been done in this direction either. Ninety per cent. of the population of India is suffering, and yet the Government are indifferent. I appeal to the Honourable the Finance

[Mian Muhammad Shah Nawaz]

Member to look into the situation very seriously. Honestly I see a spirit of revolt amongst the agriculturists. They are becoming very sulky and the trouble of discontent is brewing very fast. If Government do not take notice of it, the responsibility of the consequences will lie with them and not with us.

Granting, Sir, that some of the items of the new taxation are good, it must be admitted that the new taxation has been equitably distributed over a wide field of Customs duties. The Honourable the Finance Member has undoubtedly handled the situation with great skill and courage. His is a very clever Budget, but nonetheless simple. The masses of people will undoubtedly approve of the duties on beer, wine and spirits. These duties will bring money and also promote the cause of temperance. The duty on cotton piece-goods will help the Indian industries. Last year, I remember, the Honourable the Finance Member refused to increase the duty on cotton piece-goods because it would have hit Lancashire. But now that he is facing the hard circumstances of the situation, he is imposing this duty; so where there is a will there is a way. The duty on sugar and duty on silver were anticipated. The duty on sugar will develop the sugar industry and is in accordance with the recommendations of the Tariff Board. The duty on silver will hit the poorer people very much. Nevertheless it will increase the value of the silver, which is an important factor in the wealth of the masses of people. The duty on kerosene oil may not be much, but it will inflict hardship on the poor people. Last year there was a decline of 6d. in the gallon in the price of kerosene oil, so that the increase of duty to the extent of 9d. per gallon perhaps would not matter much, but I am inclined to think that the non-official Members of this House will object to it. As regards the duty on betelnuts and spices, these are the only luxuries which the poor people can enjoy and such a duty in my humble judgment is uncalled for. The unfortunate motorists are faced with the imposition of a duty on cars, and in addition to that they are called upon to pay an extra duty on petrol which in substance, is a tax on transport. Motor cars, Sir, nowadays are not luxuries: they are now becoming the necessities of life. The motorists for the life of them cannot understand why they have got to pay a higher price for petrol, which can be produced near at hand in Burma, than what is charged in Europe. The price of petrol in Europe as compared with that in India is very low and I think that any increase in the price of petrol will inflict hardship all round. Nevertheless it will be accepted to meet the financial stringency. But the most serious item of new taxation, is that of the increased rate of tax on incomes. Apart from the question that the Government servants will have to pay higher rates, the increased taxation on income will hit the commercial classes, and therefore the development of industries will be retarded very much. This House, I daresay, will not be able to accept the proposal of the increased rates in regard to income-tax in their entirety and possibly the Honourable the Finance Member may find a difficult situation to meet.

There is one proposal of the Honourable the Finance Member which I like very much. He intends to find ways and means by virtue of which he would be able to tax the income arising out of money invested abroad. I welcome that proposal and I congratulate the Honourable the Finance Member on his proposal. The latest figures show that nearly 40 or 45 crores of rupees have gone out of India. They have been invested abroad in

foreign securities. This is indeed a very serious problem and this flight of money from India must be prevented. I ask the Honourable the Finance Member to prepare a Bill forthwith and introduce it in this House for consideration. No time should be lost to levy taxes on the income derived from money invested abroad.

• Coming now to retrenchment, I regret to say that the Honourable the Finance Member has not effected much retrenchment. He claims that he has reduced the military expenditure to the extent of one crore and 70 lakhs, but this is retrenchment only in name partly because it is due to the fall in prices and partly because we know the re-equipment programme remains where it was before, only the expenditure has been spread over two additional years. This House has again and again asked the Honourable the Finance Member to get the military expenditure reduced. I ask, can we not postpone the re-equipment programme for the time being? There is peace on the frontier, Afghanistan is crippled by civil war, Russia is far away. We do not want to attack any country, nor are we in fear of being attacked? So, what is the good of modernising the Army, if people living in the country are starving, if the agricultural population is distressed so much that words would fail, if I were to express their feeling. I say this House has not much confidence in the Military Department. Now, Sir, in 1921, a Committee was appointed called the Military Requirements Committee. That Committee recommended a scheme of Indianisation of the Army. That scheme was never placed before the Sken Committee. We never knew anything about it. It was kept absolutely secret from us, and eventually it was placed before the Round Table Conference. If the recommendations of that Committee had been carried out, one-fourth of the Army would have been Indianised and hence there would have been reduction in the military expenditure. This House firmly believes that there is a lot of room for reduction and retrenchment in the military expenditure. We cannot lay our hands on it, but there it is and we are unanimously of opinion that a great deal of reduction can be done in that Department. (Hear, hear.)

Now, Sir, as regards the appointment of the Retrenchment Committee, which the Honourable the Finance Member has suggested I welcome the idea, but at the same time I desire to say that the salaries of the officials should be vigorously cut down. These salaries were increased some years ago owing to the simple fact that the price of the commodities had gone up. Now that there is a fall in the price of agricultural products, there is no reason why their salaries should not be cut down and brought to the pre-war level. The Government must scale down their own style of living if they mean business in this country. As long as Government is not run on sound business lines, there can be no hope of a prosperous Budget? The whole question is how to make retrenchment. The only way I can suggest is that of the rationing of the Departments. The Honourable the Finance Member must tell the head of each Department that he has to cut down expenditure by so much, say 5 or 7 or 10 per cent.—I am not confident about the percentage—but he must say to the various heads of the Departments, "You must cut down your expenditure to this extent, otherwise you should make room for such a person who can do so". We must cut our coat according to our cloth. Sir, we will do our best to help the Honourable the Finance Member to tide over the difficulties, but he should also come to our help and suggest some means by which retrenchment can be done effectively, and suggest some means by which the distress caused among the agricultural population can be removed.

[Mian Muhammad Shah Nawaz.]

Lastly, let me, Sir, congratulate His Excellency the Viceroy, Lord Irwin, and Mr. Gandhi for their sincere, earnest and noble-minded efforts, which have brought about peace in the country. Ill-will must give way to goodwill and the provisional settlement, I have every hope, will lead to everlasting friendship and comradeship between Great Britain and India. Believe me, Sir, an alliance between India and Great Britain will exert the greatest possible influence on the peace of the world and promote the cause of humanity at large. May God help us to achieve that alliance soon for the good of the world!

Mr. H. P. Mody. (Bombay Millowners' Association: Indian Commerce): Sir, I am sure the Honourable the Finance Member does not expect to be congratulated on the Budgets that he presents to this House. No Finance Member ever does or should. He is the one official in India who may confidently reckon upon having very uncomplimentary things said about him, no matter what he does. When, therefore, Sir George Schuster comes forward with a Budget which shows a huge deficit of 14 crores of rupees, and with proposals for taxation to that extent, I am sure he realises that, in spite of his appeal for fairness, he is likely to meet with a very stout opposition to the proposals which he has placed before us. The Finance Member, in the statement that he presented the other day, claims that a whole-hearted attempt has been made to meet an abnormal situation. I am sorry to have to dispute that claim entirely. I say the Government are trifling with the problem. They have not made a whole-hearted attempt; they have merely nibbled here and there and they have come forward with a few cuts which they think ought to satisfy the country. Take the case of the Military Budget. On a so-called reduction in the Military Budget to the extent of one crore and 70 lakhs, the Finance Member seems to base his claim that a whole-hearted attempt has been made. It seems to me, Sir, that in spite of the country having shouted itself hoarse over the Military Budget, in spite of token cuts being moved year after year Government remain unmoved. It is sought to be made out in this Budget that for once in a way Government are making a serious attempt to reduce the expenditure. I say, Sir, that it is in the nature of a camouflage. What have the Government done? The military expenditure was fixed in 1928 for four years at a figure of 55 crores of rupees. Last year, there was a spread over, and the amount was reduced to 54 crores and 20 lakhs, and this year another year has been added to the period and the basic figure will stand at 53 crores, 63 lakhs. Now, Sir, what is the net result of this manipulation? The net result is that for 1933, the military get 54 crores, 20 lakhs and for 1934, 53 crores, 63 lakhs under the settlement.

The Honourable Sir George Schuster (Finance Member): My Honourable friend is wrong in his figures. The basic figure for the next two years is 53 crores and 63 lakhs. We do not go back again to 54 crores and 20 lakhs.

Mr. H. P. Mody: I am afraid I did not make myself very clear. My point was this, that the basic figure for 1933 was 54 crores and 20 lakhs and for 1934, 53 crores and 63 lakhs.

The Honourable Sir George Schuster : That is exactly where my Honourable friend is wrong. The basic figure is 53 crores and 63 lakhs for the next two years. It does not go back again to 54 crores and 20 lakhs.

Mr. H. P. Mody : I stand corrected. Let us take it as the Honourable Member has stated it, 53 crores and 63 lakhs for 1933 and 1934. Now, Sir, what would have happened in the normal course of events if this four year period had expired with the figure of 55 crores, and if Government had not spread it over to six years? Does the Honourable Member think that for 1933 and 1934, if public feeling was at all to be taken into consideration, the figure would have been fixed at anything like 53 crores and 63 lakhs? I am sure that it would have been much nearer 50 crores than 53, and therefore, I say that this manipulation has resulted in actually imposing a higher burden than what the country would have suffered if the four year period had been left alone. Now, Sir, leaving aside the very serious condition of the country, has any attempt been made to conform even to the recommendations of committees set up by Government themselves? What was the figure given by the Inchcape Committee in their carefully prepared recommendations? They gave a figure which the country regarded as high. But even the Inchcape Committee suggested that it should be brought down to 50 crores. And even this amount of 50 crores was not to be regarded as the last word on the subject, because it was stated definitely that the country could not afford that expenditure indefinitely. The same sort of opinion much more strongly expressed is to be found in Mr. Layton's Report, where it is categorically stated that the expenditure on armaments in India is two or three times as much as that of all the other Dominions put together. It is also stated in that Report—though of course you have to read between the lines for it—that not all of this expenditure is purely for Indian requirements, and that there were certain Imperial responsibilities for which the Army in India was being maintained at this strength. Apart from these two Reports, there is this supreme consideration, that there has been a substantial fall in the cost of living in the last two or three years. Has that fall been reflected in the Military Budget which has been presented to this House? I venture to think it has not been. If the cost of living was to be taken adequately into consideration, the Military Budget should be under 50 crores of rupees and not so much over 50 crores, as it is at the moment. I should have thought this was precisely the time when the adjustments which require to be made between the Imperial and the Indian exchequer on the question of the military expenditure should have been made. I refer to the much-vexed question of the capitation charges. I also refer to the various burdens which India has to maintain because she has an enormous land frontier and is discharging Imperial responsibilities. This was just the time when the British Government should have come forward, or should have been asked to come forward, with a substantial measure of assistance to the Indian exchequer.

I say, Sir, that it is impossible for this country to maintain an Army of this strength. Last year in my remarks on the Budget I refused to be drawn into technical questions. I said we would be at a considerable disadvantage if we discussed with the Government Bertriches what Army was to be maintained in India, or how it was to be distributed, and what the equipment should be. These are not matters with which we on this

[Mr. H. P. Mody.]

side of the House are familiar, or ought at all to concern ourselves. Our business is to point out to Government that, no matter what they may think the military requirements of the country should be from their special knowledge of things, we can only tell them that we are unable to afford the expense which they are imposing upon the country; and that, I submit, is a sound argument, because after all, whether it is a question of defence or any other, it must be determined by the one consideration of the capacity of the people to pay for it. And I say to Government that they are creating conditions which will make it absolutely impossible for future administrations to carry on, if the military expenditure is retained at a figure which results in starving every beneficial activity. Everybody is more or less agreed that defence is to be regarded as a reserved subject for at least a period of years, but if Government think that because defence is a reserved subject, Indian opinion will allow them to carry on at the present rate of expenditure, I am afraid they are in for a considerable amount of disillusionment. I am certain that a strong cry will go up from every quarter for an immediate reduction of military expenditure, and the matter will not be left to chance or to the tender mercies of Government or anybody else. I think the country will have to insist that for the next few years the expenditure should not exceed a certain figure.

Coming to the civil side, all that I wish to say is that I welcome the announcement made by my Honourable friend that a committee is going to be set up to regulate the terms and conditions of future recruitment. It is a matter which I pressed upon the attention of the Round Table Conference in the Services Sub-Committee, and my contention was more or less the same as I have just advanced, namely, that whatever the efficiency of the services may be—and I think the severest critics of the services have recognised over and over again the manifold claims which the services have upon the gratitude of the country—I say their maintenance at the present rate is a burden which the country can not finance. I am not making comparisons with the remuneration which public servants in other countries enjoy, but if such comparisons were permitted, I am afraid the result would be very unfavourable to the services in this country. Now, Sir, while there is a disposition on everybody's part not to touch the emoluments of the present members of the services—because after all an element of fairness must enter into a consideration of these matters—I am certain that so far as future recruitment is concerned, we will have to revise those terms very drastically. But apart from an inquiry into the terms and conditions of future recruitment, I would very much wish that a body of experts was brought out in order to find out whether the system of administration could not be simplified. In India a great many things are in a primitive stage. The only thing that has reached perfection is the elaborate and the routine-ridden system which is in force in this country. The administration seems lost in files and despatch boxes, reports and statistics. What we want is a system suited to what I would call the still somewhat primitive needs of India; after all India is just emerging from her sleep. Her agriculture, her industries, her trade are still in a very poor stage of advance, and I think crores of rupees will have to be found in the future if India is to make of the great experiment of Dominion Status a success. If all this

money is to be found, new ways and drastic ways will have to be devised, and I submit that while Government are considering the conditions of future recruitment, they might also consider whether the system of administration can not be simplified and brought more into accord with the needs of the people.

Now, I come to the taxes. Of course, I am going to criticise the exact proposals which have been placed before us; but I am free to confess that some people at any rate heaved a sigh of relief when these proposals were announced. But let me not be misunderstood. There is a strong feeling that, while the taxation proposals might easily have been worse, they constitute a crushing burden even as they stand. I understood my Honourable friend, Sir Hugh Cocke, to say yesterday—and I thought he adopted rather an indulgent attitude—"Well, there is a deficit; you must find money, and after all somebody's pockets have to be touched". Of course, pockets have to be touched. The question is into whose pockets are you going to put your hands most? And I say the Government are putting their hands exclusively into those pockets into which they have been accustomed all these years to dip their hands, and dip with a certain measure of success. Now, I am going to make rather an odious proposal, and that is my contribution to the constructive side of things. I want to know why up till now, no attempt has been made to tax agricultural incomes. (*Cries of "Oh, oh" from the Opposition Benches.*) I was perfectly prepared for this warm appreciation of my proposals (*Laughter*) that has emanated from my non-official friends, though I am glad to find that the official Benches are silent. But this question has been debated times without number; it has been discussed in the report of Mr. Layton.

Diwan Bahadur T. Rangachariar: What do they know about our lands?

Mr. H. P. Mody: Well, everybody is standing up for his own special interests, and I naturally expect my Honourable friends who are interested in agriculture to howl at my proposals; but that is not going to affect me at all. I am putting forward a suggestion for consideration, whether, in those areas which are not subject to periodical revisions, where the land revenue has remained stationary more or less, some attempt at any rate is going to be made or not to get its due share from agricultural incomes . . .

Mian Muhammad Shah Nawaz: Where has it remained stationary except in Bengal and Bihar?

Mr. H. P. Mody: If my Honourable friend wants facts and figures I can give him enough facts and figures. Take the case of Bihar . . .

Mian Muhammad Shah Nawaz: I know all the facts about it; it has not remained stationary except in Bengal and Bihar.

Mr. H. P. Mody: I do not pretend to know everything about everything but when I speak on any subject I know something at any rate of what I am talking

Mr. D. K. Lahiri Chaudhury (Bengal: Landholders): A little learning is a dangerous thing sometimes.

Mr. H. P. Mody: Yes, but when one has crammed his head full with knowledge it may sometimes be more dangerous still because one may get befogged and not be able to see further than one's nose. I would rather have a little learning and apply it for what it is worth . . .

(Mr. D. K. Lahiri Chaudhury made a further interruption, which was inaudible.)

Mr. President: Order, order. Please let the Honourable 'Member' proceed.

Mr. H. P. Mody: Then there is the question of the tax on sterling securities held by people in England. These securities have hitherto escaped Indian income-tax, and I want to know whether any effort is going to be made to exact income-tax on these securities which are held in England.

There is another point. It is a small point, but I am bound to make it; that while the revenue shows such a huge fall, it might have been found possible by Government to tax artificial silk goods more heavily than they have done; I am aware that they have proceeded on considerations of revenue, but if they had put up a heavy productive duty, they would have got quite a neat little sum from artificial silk goods. The present position is absolutely anomalous. Artificial silk goods are relatively paying less than cotton goods, and that anomaly might have been done away with, particularly at a time when there is an excellent excuse for imposing a heavy duty.

There are just one or two other points which I want to put forward with regard to these Budget proposals. The Finance Member has referred to the question of the carry forward of losses. It is a very important subject and I am afraid my Honourable friend's contribution to it has not been satisfactory. The Government have conceded the justice of that claim, but the trouble is that they always point to their finances when they want to delay the course of justice. Let the Honourable Member come forward with a definite assurance that he will introduce legislation to provide that the period over which losses can be set off shall be one of six years as in England. The change was introduced in England at a time of financial stringency, and I do not see that the Honourable Member's excuse is sufficient when he comes and tells us that financial stringency prevents his doing bare justice. I would apply the same remarks to company super-tax, a sort of double-tax, of which the injustice has been admitted by Government. It is precisely when finances are in a bad way that people want relief, and if Government come forward in more prosperous times and allow this carrying forward of losses, their intention will be merely to do technical justice, and at the same time not lose any revenue at all.

Mr. President: The Honourable Member's time is up and as there are so many Members who wish to take part in this debate, I would ask him to conclude his remarks within two minutes.

Mr. H. P. Mody: Right, Sir. I will conclude exactly within two minutes. My final word to the Finance Member is just this: that if the spirit of the Round Table Conference is at work, I would appeal to him not to carry his proposals through in the way in which all Budget proposals have been carried all these years, that is to say, proposals are put

forward, cuts are suggested carried and restored, items of expenditure are certified, and the Budget goes on its merry course. That is not the way in which at any rate the present Budget ought to be forced through, and I would suggest to the Finance Member the desirability of convening an informal conference of the representatives of all parties with a view to see whether he cannot make his Budget proposals more acceptable to the House. Otherwise the only remedy that will remain to this House will be to throw out item after item.

Raja Bahadur G. Krishnamachariar (Tanjore *cum* Trichinopoly: Non-Muhammadian Rural): Sir, in the first place I thank you for having given me an opportunity to submit the few observations which I have ventured to make after a good deal of misgiving. New Members like myself are at a great disadvantage in dealing with such an intricate subject as the Budget. Ordinarily it is a difficult matter, but when you consider the literature that has been supplied to us, it is practically impossible for any one at least of the less gifted sort like myself to master it and to contribute usefully to the discussion today. Under those circumstances, I was reminded of the old proverb that it is better to be silent and be thought a fool than to speak and make a certainty of it. But I was impelled by what I consider a sense of duty to my constituency and to my country to speak at this critical moment, and it is in that view that I submit a few observations for the consideration of this House. That is the reason why I am standing before you, and the first point that I would respectfully invite the attention of the House to is this, that not being particularly acquainted with the procedure of the general discussion, I happened to look over the proceedings of the previous years and I found that in nine cases out of ten, speaker after speaker had begun his speech by congratulating the Finance Member. Now the difficulty on this occasion is what to do, whether to congratulate or to condole with him. If you look at the skilful manner in which the whole position is presented in his soft, insidious (I am not putting it in an offensive manner) eloquence with which the whole thing has been placed before the House, or as we call it in our vernacular inserting a pin inside a plantain fruit, I for one cannot help admiring his skill and congratulating him; but what is the good? The operations that he is going to perform with his materials are so deep-rooted that life itself is in danger, and therefore the question of paying a compliment must be reserved for some other occasion. The greatest difficulty with us agriculturists is to reconcile ourselves to further taxation. My friend, Mr. Mody, asked, when he was at his wit's ends, why not tax agriculturists? Has he any idea as to how much agriculturists pay? 90 per cent. of us are agriculturists, and I assure him—take the land revenue, take the cesses, take every bit of thing, including the subscriptions for entertaining big officials whenever they visit our parts—I assure him that we honestly pay about 70 per cent. of our income, and I am quite prepared to place facts and figures before the House to show that 70 per cent. of our income goes out of our hands, and then what are we to do with the 30 per cent. which remains? Live from hand to mouth. We have to provide for the next year's cultivation, look after our family needs, educate our sons

Mr. H. P. Mody: I was speaking of those who live upon agriculturists, and not of agriculturists themselves. .

Raja Bahadur G. Krishnamachariar: That again shows that my Honourable friend is ignorant of the conditions prevailing in the country so far as agriculture and agriculturists are concerned. Sir, if it were not for the accident of Government service or some other profession, most of us would have to live upon agriculture. Every one of us, every one of these 90 per cent. of the population, whether we are getting an income from Government service or from some other profession, we are all agriculturists and live on agriculture and have our being in agriculture, without which we do not know where we would be. A portion of the income from Government service, a portion from some profession and a portion in some cases from agricultural land, all these make up the income of a middle class Indian nowadays. Consequently, Sir, it is absolutely impossible for us to stand any more taxation. The greatest difficulty is about the income-tax. I can understand the Government servant whose pay is fixed giving a return and being done with it. I can understand merchants who keep accounts, who prepare balance sheets, and get them easily accepted by the Income-tax Department. If you, Sir, have any idea of the trouble that we people suffer at the hands of the income-tax authorities, you will have, I have no doubt, a great deal of sympathy with us, especially when Government are in quest of money and want to increase the income-tax. When the revenue officials know that Government are after money, they know exactly how to screw money out of every one, and every objection, every petition, every position laid before them is supposed to have been considered and rejected, and in most cases summarily rejected.

Sir, I do not want to take up too much time of the House today, but
 3 P.M. there has been a chorus of appreciation with regard to the appointment of a Retrenchment Committee, and I think I should confine myself to this point. I am afraid, Sir, I cannot agree with this proposal to appoint a Retrenchment Committee. My point is, what are you going to appoint the Committee for? Here, Sir, in the Report of the Indian Retrenchment Committee there is a passage to which I would invite the attention of this House. At page 387 of this Report the Committee have given the number of special Committees appointed during the last ten years. The total amount spent on these special Committees is 68 lakhs of rupees, and this is only up to the year 1923. After this came the Royal Commission on Agriculture; after this again came various other Committees, and lastly came the Simon Commission. Sir, having made a rough calculation, I find that the total amount spent on all these various Committees and Commissions comes to about 80 lakhs of rupees. Now, what is the result? Let the Inchcape Committee speak, Sir:

"We recognise that recourse to Committees is in many cases desirable, but from a perusal of the list we cannot but feel that their appointment has not in all cases been justified, and that the results obtained have not always been commensurate with the expenditure involved and with the amount of time and labour occupied in the preparation of cases for the Committees and in the subsequent consideration of their Reports. We recommend that this elaborate and expensive procedure for the settlement of current problems be resorted to only in exceptional cases."

Now, Sir, apart from this general objection, supposing you appoint a Committee, I was trying to map out before myself a pabulum as to what

this Committee was going to do when it is appointed. I shall presently come to its personnel as proposed by the Honourable the Finance Member. Take first the Military Budget, which is the biggest item in the Budget. Everybody has commented on it, and it can well afford to be criticised further. Now with regard to this, unless you put your hand into the Military Budget and the Railway Budget as well, it is absolutely impossible to effect any real retrenchment. Now for instance, there is a deficit of 14 crores. What does it matter if 95 lakhs is added to it or is not added to it. We have got a homely saying down South and that is when the flood goes over your head, what does it matter if it goes 2 ft. or 3 ft. higher. It is just the position that you reduce yourself to when you say that you have got 10 lakhs surplus here and 15 lakhs there. In my opinion, therefore, the Military Budget must first be touched in order to effect any real retrenchment. Now, supposing a Committee is appointed, what do you propose to do with regard to the Military Budget? There is a passage here in that same Report to which the attention of the House has to be invited in connection with the proposed Committee's operations:

"Apart from financial considerations, the strength and distribution of the army necessary for the defence of India and the maintenance of internal security are matters which we feel must be left largely in the hands of His Excellency the Commander-in-Chief."

Now, what are you going to do with this Committee? When the Committee sits with five non-official Members and two official Members they can only say, "Oh, it is a very good thing; we have got all the elaborate materials collected by the Incheape Committee under various heads and under different items; they have also made comparative statements and so on". But what you really want to do is that you should make up your mind as to how much you are going to reduce, and for that you really do not want a Committee but the Commander-in-Chief. As my friend, Haji Abdoola Haroon, said, first make up your mind, and having done so, get hold of one or two responsible officers and tell them, "I have got to make so much reduction; how are you going to adjust the accounts?" You can certainly do this very easily. Instead of doing that, you are going to appoint a Committee. It is no reflection upon any Honourable Member of this House when I say that a Committee of this vast importance ought to consist of experts from outside who have got great experience in these matters, and when they make a Report the whole thing might come before us in this House. The same thing applies to the Committee on civil expenditure. So, I would respectfully ask that this Committee be not appointed; that in some way or other the present year's trouble be tided over, and that, as in the new constitution everything goes into the melting pot, we may then find out what the position is and see whether we should appoint a committee.

There is only one word which I desire to say with reference to the observations of my Honourable friend, Mr. Chetty, regarding the Government entering into the money market. I do not know if what we did in an Indian State, in a backward province, if you please, would be of any use as a precedent to progressive British India. But I might perhaps say one word about what we have been doing in the Hyderabad State.

[Raja Bahadur G. Krishnamachariar.]

As you know, in the Hyderabad State we have got our own currency, and the British Indian coin is not legal tender there. But, as most of our business is done outside in British India, there is a class of speculators who have sprung up. Between the *Hali* rupee, which is our currency, and the British Indian rupee, there is a difference in exchange of 15½ per cent. What these speculators do is, they try to raise the difference, simply keep the money in their house, and when it goes up, they convert it into British Indian coin, and when it goes down, they change it into *Hali Sicca* rupees, and without any trouble they make between 15 and 20 per cent. per annum on the average. This created havoc, especially at the time when the trade season was on. What the Government did was, they put by a certain amount of money, and when the exchange, according to their idea, went down below a certain level, they immediately went into the market and offered to buy, the coins, and thus they kept the exchange at the rate at which it ought to be. We began operation in that way somewhere in the year 1905, and at present the currency is, and has been for a long time, absolutely stabilised. So that, I submit, there is nothing wrong in the Finance Department coming into the open market and saying, "Now we are not going to stand any such nonsense. If this is going to reduce the value of our gilt-edged securities, we are going to restore the equilibrium." Therefore, there is a great deal to be said in favour of my Honourable friend Mr. Chetty's suggestion.

Before I sit down, I would respectfully tell the Government two things; first, don't impose this taxation, but find out some other way of meeting this deficit, and the next thing is, do not appoint this Committee at present.

Mr. R. S. Sarma (Nominated: Non-Official): Sir, the Honourable the Leader of the Opposition and Sir Cowasji Jehangir, while regretting yesterday their inability to congratulate the Honourable Sir George Schuster on the difficult Budget proposals which he has placed before the House, were, however, generous enough to offer him their great sympathies. Sir, I should like also to offer the Honourable the Finance Member my sympathies, my very, very sincere sympathies indeed, but from a very different point of view altogether, and for a very different reason. The high and exalted office of Chancellorship of the Indian Exchequer has very high and valued privileges, which may be the envy of even the Chancellor of His Majesty's Government in England, but it has also certain misfortunes. The Indian Chancellor has to pass through certain ordeals. He has also to undergo, by virtue of that very office, certain mental tortures. But I think, Sir, that no torture is more difficult to endure or to tolerate from his point of view than this mental torture of being glued to his seat for two full days and forced to listen to amateurish discourses on Indian finance, currency and exchange.

We have been treated these two days, with monotonous reiteration, to the time worn parrot cry of a cut in the military expenditure. We have listened also with a great deal of patience to the proverbial twice-told tale of a drastic retrenchment in the public services. But, to my mind the only constructive criticisms—unless this House takes what Mr.

Mody would call a constructive suggestion, namely, the taxing of agricultural incomes, which, to my mind, is a wholly destructive suggestion, far from being a constructive one—the only constructive criticisms on the Budget were made by Mr. Chetty when he examined the whole question from the point of view of the ways and means, the only other very constructive criticism, and a very useful one indeed, was made by that latest but the most brilliant and outstanding acquisition to the Opposition Front Benches, Mr. Ramaswami Mudaliar. With the protest that he made against the spreading over of the Military Budget expenses, and also with the protest he made against committing this House to any kind of settlement of the question of salaries of men recruited to the public services in anticipation of what will be done under the new Government of India Act, I think every one will be in perfect agreement, and I hope that the Honourable the Finance Member will feel the force of his argument.

The Honourable the Leader of the Opposition yesterday said, in the course of his twenty minutes speech, half-a-dozen times, that the Honourable the Finance Member failed in his attempt not only to explore all the possible avenues of making retrenchments, but also to explore all the means of getting more revenue. Although I am not a student of finance, yet, from a common sense point of view, any one who has read the Budget will find and will feel convinced that Diwan Bahadur Rangachariar's charge against the Honourable the Finance Member is wholly unjustified. He has devoted a whole chapter, he has taken the House into his confidence, as to what he has done in the way of retrenchment, and what he proposes to do further in that direction with the help of the Members of this House. With regard to exploring all possible avenues of increasing the revenues of the State, he has given, though not explicitly, suggestions which perhaps have missed the attention of a large number of Members of this House, and I was not a little surprised that practically no mention nor any constructive criticism has been made upon those avenues of new revenue which the Honourable the Finance Member expects to get if he is able to carry the House with him in his suggestions. In the course of his concluding remarks, the Honourable the Finance Member said :

“As an example of new sources of revenue which demand special study, I would specially refer to the consumption of tobacco, the consumption of matches, and possibly also death duties. If we examine the fiscal systems of European countries, we find that, in almost all cases, great reliance is placed on these sources of revenue.”

It is very surprising that, so far, the Indian Legislature has not devoted its attention to the purpose of tackling these sources. The committee that he foreshadows for the purpose of going into the question of tobacco, I think, will be very welcome, and if I may offer him a suggestion, I would suggest that the committee which is to examine the question of tobacco might also go into the question of matches, so that the Finance Member may be able to elaborate his views in a concrete fashion and place them before the House for acceptance. As regards the question of death duties, I think the matter is a very simple one. We have got to get some sort of legal and technical ideas about it, and for that purpose,

[Mr. R. S. Sarma.]

we have only to find out how it has been worked out in countries in which this practice has prevailed, and I think it will not be difficult for us to get some workable basis.

Lastly, I think that the Finance Member is entitled to the gratitude of the country for one very outstanding and assuring statement that he has made in the course of the Budget statement, which was long overdue. If any man who is connected with the Indian money market or the finances of this country is asked, what is one of the main reasons for the deplorably weak state of exchange and consequently for the weak position of Indian finances, he would unhesitatingly say that it is due to the crop of rumours regarding an impending change in the ratio from 18d. to 16d. These rumours are responsible for the flight of capital from this country because people want to take advantage of this 18d. ratio, and for the stop of the flow of capital to this country. Therefore it was very necessary to have not a halting but a very definite and very deliberate assurance that would convince bankers and others having commitments, as regards the willingness of the Government to stick to its statutory obligations. It was long overdue and the assurance that the Finance Member has given on the floor of this House should be very welcome to bankers and others interested in Indian finance and would materially help the financial soundness of this country. I would also say, by way of advice to the Finance Minister, that it would be a very good policy for him and his Government if he gets more into touch with the bankers, especially the exchange bankers, who are the people to whom he has to look for help and who are the only people who can help him, when he goes to the market for a loan or when he has to remit money to the Secretary of State or when he has to sell Treasury Bills. These people help more than the Indian Chambers of Commerce or Purshotamdases, who give more trouble than real help in these matters. That tried friend of India, the late Sir William Meyer, adopted this policy and met the bankers in Calcutta at a Conference, and the result of that was very helpful to the money market in a period of exceptional difficulty. As at present situated, there is no machinery for frequent consultations between the bankers and the Finance Member and it is of the utmost importance that such machinery should be immediately established. The House, however, is grateful to Sir George Schuster for the assurance clearly made that he does not mean to surrender to Bombay's blackmail in the matter of the ratio.

Sir Hari Singh Gour (Central Provinces Hindi Divisions: Non-Muhammadan): If I intervene in this debate, it is because I wish to draw the attention of the Honourable the Finance Member to his speech of last year. The retrenchment of the Central expenditure was raised last year in the course of the debate and it was suggested that a retrenchment committee should be appointed for the purpose of overhauling the Central expenditure. Dealing with this question, the Honourable the Finance Member, in his speech on the 28th February last year, said :

"But I should be deceiving this Assembly if I were to hold out any expectation of large economies in this direction. I doubt whether it is adequately realised to what an extent the gradual development of the present form of constitution is placing increased work on the shoulders of the officials of the Central Government and I do not

think it is an exaggeration to say that there is not a single department of the Government of India in which those occupying the higher appointments are not at present overworked. Indeed I think it is far more likely that as representative institutions grow and sessions of the Legislative Assembly become longer it will be necessary to divide up some of the existing departments and create new appointments for representation in this Assembly."

Dealing with the question of policy, the Honourable the Finance Member said:

"On the other hand if we turn to what I describe as the second class of economy on a big scale, I would ask Honourable Members to consider how I can possibly tackle questions of that kind when we stand as we do today on the eve of a constitutional revision. This matter cannot be dealt with pending the constitutional revision. I want Honourable Members to understand this, because I confess that I did feel that I came before them with a much poorer statement, a much poorer record of work done in the way of retrenchment than I had hoped for when I spoke at this time last year."

The position regarding retrenchment was stated by the Honourable the Finance Member in his Budget speech last year in unmistakable terms. He said that large retrenchments are only possible if there is a change of policy. That change of policy cannot be embarked upon by the Government of India pending the constitutional revision. Now, I wish to ask the Honourable Member whether the situation this year is any different to what it was last year. It is perfectly true that since then the Round Table Conference has taken place and it is equally true that it is to continue its labours and finally decide upon the constitutional issue in the near future but so far as the present year is concerned, I venture to submit that there is absolutely no difference between the position of the Government as it was last year, and if so how could the Government of India commit themselves to large policies of retrenchment which they have admitted are only possible if there is a constitutional revision. That being the case Sir, I beg to ask what good would be served by appointing a committee—it does not matter whether it is a committee of this House or a committee of experts outside this House. Honourable Members on this side of the House have been feeling for a number of years, that if any drastic changes are to be made in the national expenditure, they must begin with the military expenditure. I think the Honourable the Finance Member probably remembers what was said in the course of the discussions last year. When this question was raised, the Honourable the Finance Member said that large cuts in the military expenditure would be only possible if there was a change in the military policy. Now, I beg to ask this. In order to remind my Honourable friend on the other side, I would read to him and for the benefit of the House a few sentences on this subject. The Honourable the Finance Member said:

"But whatever room there is for reduction in military expenditure that again is a subject which on a large scale we cannot tackle just at the present stage. We are committed to this programme of re-equipment and as soon as that is completed the future will be considered but I do not believe that it would have been possible to deal with that question in a more drastic and effective way than I have done in the circumstances which face us this year."

Then I interrupted and I asked him this question: "I thought you were coming to the change of policy!" The Finance Member said: "I was trying to make it clear that changes of policy could not be considered at the present stage". Now, Sir, that is the plain issue. You are not in

[Sir Hari Singh Gour.]

a position to consider a change of policy regarding the military expenditure. You are not in a position to consider a change of policy regarding civil expenditure. If you are not in a position to consider a change of policy in these two directions, I beg to ask what good would be done by the appointment of a Retrenchment Committee. Sir, nobody in this House need have any misgivings about the utility of a Retrenchment Committee if properly constituted and given wide terms of reference. I happen to be the author of the Retrenchment Committee Resolution in 1922 which the Government opposed and which I carried in spite of the opposition of the Government and that resulted in the appointment of the Incheape Committee, and when that Committee was appointed the constitutional changes that are now adumbrated were not at all on the horizon, and the result of it was that the Incheape Committee dealt with established facts and with the constitution as it then existed and as it exists today. That being the case, the Incheape Committee in 1923 made certain retrenchments. But those retrenchments were not retrenchments which the Committee would have made if there had been a cardinal change in the policy. I therefore submit that this is not the time for the appointment of a committee: and as the Honourable the Finance Member has said that this committee will only deal with the revision of civil expenditure, I submit it will be one of those committees to which the Honourable Raja Bahadur Krishnamachariar has referred, namely, a committee in the case of which its own cost would exceed the saving that is likely to accrue from its appointment.

Then, Sir, I pass on to the next question, that about additional taxation. The two heads under which additional taxation falls are customs and income-tax. Now, on the subject of income-tax, I wish again to read to this House the statement which the Honourable the Finance Member's Department submitted to the Government of India when they were calling for the report on the revision of income-tax. In Appendix II to the Government of India Despatch occur these sentences, which the Honourable Members would do well to remember. The Board of Revenue, speaking of the incidence of income-tax in this country and comparing it with the incidence of income-tax in England observe as follows. They say:

"It is also worth mentioning that although the assessable limit in the case of a single person is somewhat higher in India than in England, the percentage taken as tax of the lower incomes in India, if I may rely on the tables at the end of the draft Ceylon Ordinance, which were prepared by an expert from Somerset House, is actually higher—and a great deal higher—in the case of earned incomes in India than in the United Kingdom, even if for the purposes of comparison unmarried persons in the United Kingdom are taken. The table shows the following percentages:

		Income—all earned.	
		British India (all classes).	United Kingdom (single persons).
Rs.			
Income, 2,400	. . . .	62.5	20
Income, 2,500	. . . .	65.16	28.33
Income, 3,000	. . . .	78.13	70

Even where the income is all unearned, the tax on an income of Rs. 2,400 for all classes of assessee other than companies and registered firms, is Rs. 62.5 in India against Rs. 60 for a single person in the United Kingdom."

Now, Sir, this is the statement prepared by the the Board of Revenue presented to the Government of India, and it shows that the Indian scale of income-tax for the smaller incomes is in some cases three times as much as it is in the United Kingdom; and yet we are told that the income-tax in India is a comparatively lighter burden upon the people.

Well, Sir, I leave that statement at that. I now pass on to the next point. The Honourable the Finance Member says, "You have got to meet this deficit of Rs. 14 crores, and if you do not allow us to raise the income-tax and the super-tax and to raise the Customs duties, how is this wide gap to be bridged?" Sir, I would ask the Honourable the Finance Member to read the proceedings of the first Assembly of 1921, 1922 and 1923, and he will find that in those years also the country was faced with heavy deficits: and yet those heavy deficits were met not by the levy of such heavy taxation as is sought to be imposed this year. We have been told that this is an abnormal year and that the deficit is due to abnormal causes. I quite remember the Honourable Member saying that how much of it is due to abnormal causes and how much to causes which are not exactly abnormal cannot be stated. But I will assume that at any rate a half of the deficit is due to abnormal causes and the other half is due to other causes. If that be the case, I submit that half of the deficit should not have been met from taxation, which has been permanently levied on the country. I submit this is one of those cases in which abnormal deficits must be met by abnormal remedies, and the only abnormal remedy I can suggest is the cutting down of all expenditure. The Honourable Mr. Mody made, Sir, a very pointed suggestion to the Honourable the Finance Member. He said that this question about the capitation tax has been agitating the Government of India for a very long time. If the Honourable the Finance Member will read the Report of the Central Committee, he will find that for the last 20 years the country has been agitating over this capitation rate every year and it has been objecting to its legality and to the justice of its imposition. Well, that question has not yet been settled, and I submit that as it has now been agitated for a very long time, it must now be settled. There are certain other charges to which the Simon Commission referred in their own Report and to which a pertinent reference occurs in the Report of the Central Committee. I think, if I am not mistaken there is a reference also in the Report of the Round Table Conference. Now what we on this side of the House want is this that while you are carrying on the Government of India you are absolutely oblivious to the claims of justice; you are absolutely oblivious to the demand that has been made to you from year to year from the Opposition Benches. I can speak, Sir, of the last ten years—the life of this Assembly from 1921 down to the present day—and if you will look back at the proceedings of those years, you will find that that has been the outcry. What have the Government done during all those ten years? I quite admit that the Government of India are not independent of influences from outside. I also admit that the Government of India as at present constituted are merely an agency Government, but in spite of that I submit that the Government of India should take this House into their confidence and tell us as to what they have done to voice the feelings of the people of this country. I remember, Sir, reading in the Report of the Joint Parliamentary Committee that whenever the Government of India and the Legislative Assembly are in agreement upon any question of policy, the

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a position to consider a change of policy regarding the military expenditure. You are not in a position to consider a change of policy regarding civil expenditure. If you are not in a position to consider a change of policy in these two directions, I beg to ask what good would be done by the appointment of a Retrenchment Committee. Sir, nobody in this House need have any misgivings about the utility of a Retrenchment Committee if properly constituted and given wide terms of reference. I happen to be the author of the Retrenchment Committee Resolution in 1922 which the Government opposed and which I carried in spite of the opposition of the Government and that resulted in the appointment of the Inchcape Committee, and when that Committee was appointed the constitutional changes that are now adumbrated were not at all on the horizon, and the result of it was that the Inchcape Committee dealt with established facts and with the constitution as it then existed and as it exists today. That being the case, the Inchcape Committee in 1923 made certain retrenchments. But those retrenchments were not retrenchments which the Committee would have made if there had been a cardinal change in the policy. I therefore submit that this is not the time for the appointment of a committee: and as the Honourable the Finance Member has said that this committee will only deal with the revision of civil expenditure, I submit it will be one of those committees to which the Honourable Raja Bahadur Krishnamachariar has referred, namely, a committee in the case of which its own cost would exceed the saving that is likely to accrue from its appointment.

Then, Sir, I pass on to the next question, that about additional taxation. The two heads under which additional taxation falls are customs and income-tax. Now, on the subject of income-tax, I wish again to read to this House the statement which the Honourable the Finance Member's Department submitted to the Government of India when they were calling for the report on the revision of income-tax. In Appendix II to the Government of India Despatch occur these sentences, which the Honourable Members would do well to remember. The Board of Revenue, speaking of the incidence of income-tax in this country and comparing it with the incidence of income-tax in England observe as follows. They say:

"It is also worth mentioning that although the assessable limit in the case of a single person is somewhat higher in India than in England, the percentage taken as tax of the lower incomes in India, if I may rely on the tables at the end of the draft Ceylon Ordinance, which were prepared by an expert from Somerset House, is actually higher—and a great deal higher—in the case of earned incomes in India than in the United Kingdom, even if for the purposes of comparison unmarried persons in the United Kingdom are taken. The table shows the following percentages:

Income—all earned.				
Rs.				
		British India (all classes).		United Kingdom (single persons).
Income, 2,400	. . . .	62·5		20
Income, 2,500	. . . .	65·16		28·33
Income, 3,000	. . . .	78·13		70

Even where the income is all unearned, the tax on an income of Rs. 2,400 for all classes of assessee other than companies and registered firms, is Rs. 62·5 in India against Rs. 60 for a single person in the United Kingdom."

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Secretary of State would stand aside. If the Government of India had taken this House into their confidence on these large questions of policy, I have no doubt, Sir, that the opinions of the Government of India would have been greatly fortified.

Then, Sir, reference has been made by my Honourable friend, Mian Shah Nawaz, to the advisability of taxing India's foreign investments. I do not think my friend, the Mian Sahib, has ever carefully considered that question. Sir, why does capital flow out of this country? Because the capitalist in this country finds a more lucrative investment in foreign countries, and are you to prevent your own countrymen from making more money from his foreign investments by taxing him in this country?

Mian Muhammad Shah Nawaz: Why should they not be taxed?

Sir Hari Singh Gour: Why should they not be taxed? If they are taxed, the money that they make from their foreign investments is money which comes back to this country, and that money would be lost to you. It is a benefit which they confer on the people of this country. The fact is that on account of heavy taxation a large quantity of capital is going out of this country and it is a blot upon the financial policy of Government that this large capital finds a more lucrative investment in foreign countries than in this country. It is the duty of the Government to adopt such means as would prevent people from investing their money outside this country. But to tax them because they invest in foreign bonds and foreign securities is certainly not one way of doing it.

Sir, one last point I wish to suggest to the Honourable the Finance Member in connection with this general discussion, and it is this. It has been suggested, I think, by various speakers from this side of the House that, while we entirely sympathise with the Honourable the Finance Member in his misfortune, we do not see how we can assist him by voting the taxes which he wishes to levy upon this country. If he would take some of us into his confidence and tell us in what way he is prepared to meet us, we should be prepared to make constructive suggestions for the purpose of tiding over the difficulties in this year. Such a course, if I remember aright, was adopted in the first Assembly, and I therefore submit that if we are driven to vote according to the demand of the Government, the Opposition will find themselves constrained to oppose the measures of additional taxation. But if the Honourable the Finance Member wished to take into his confidence the Members of this side of the House, I am quite sure that we shall be able to devise some means for tiding over the temporary difficulties in which the Government of India find themselves.

Mr. Jamal Muhammad Saib (Madras: Indian Commerce): Sir, let me first congratulate the Honourable the Finance Member on the able and lucid way in which he has presented his Budget. The economic review of certain main items of trade which he has caused Dr. Meek, our able Director General of Commercial Intelligence, to prepare is very welcome indeed. I, may I say all of us, quite appreciate the difficulties the Finance Member has been faced with, some of them beyond the control of anybody.

Now, Sir, as the Honourable the Finance Member rightly points out, the fall in prices has affected most severely a country like India whose economic activity is mainly directed to the production of primary agricultural products. The remedy for this obviously lies in two directions—in

regulating our fiscal and financial policies in such a way as to enable our poor agriculturist to realise as high a price as possible for his agricultural product, and in rapidly industrialising the country. But the policy pursued by the Government at least after the close of the Great War does not seem to have these objects in view, but does seem to run in a diametrically opposite direction, to the serious detriment of the best interests of the country. Pious hopes and professions do not help us. We have long passed all those stages. What we really want now are acts to demonstrate those good intentions.

It is this distrust of the financial and fiscal policies of the Government—both commission and omission—which had been persistently pursued by them against the declared wishes of the people and their serious effect on the economic life of the country in all its aspects, that had driven the people, including the business sections, to blank despair. Herein must be sought some of the real causes for the spread of the civil disobedience movement and its striking success even in a country like India.

Sir, the Honourable the Finance Member is apparently satisfied with the little shrinkage as he puts it in the visible balance of trade in favour of India. I don't agree with him there. First, I would with all deference, submit to him that his present method of calculating the balance of trade is faulty and misleading, as it hides away from our view falls in exports, set off by shrinkages in the import of treasure. Both are serious evils, but the fall in the import of treasure is even more serious than the fall in exports, as it is this import of treasure which goes to make up the wealth of the country.

Since whenever there is a great shortage in the exports, there will always be something like a corresponding fall in the imports of treasure under the present system; these two evils hide one another. That is why I consider the present method of arriving at the balance of trade faulty and misleading. In my humble opinion the real balance of trade is one that shows only the balance as between exports and imports of merchandise without including treasure, as that would be more reliable and instructive for comparison purposes and as it is through such a favourable balance of trade, after meeting Home charges and other foreign remittances, we get the treasure from abroad which is really the investment of the masses.

Sir, in a minute I will try to show why I attach so much importance to the balance of trade and to the method of arriving at it. On an average, in the three official years 1923-24, 1924-25 and 1925-26, which, I consider, must really be taken as normal years for obvious reasons, we imported about 69 crores of gold and silver, as against only an average of 33½ crores for the last three calendar years of 1928 to 1930, as given by Dr. Meek in his Review.

Now, Sir, may I point out therefore to the Honourable the Finance Member that the real shrinkage in the balance of trade is really more serious and means much more to this country and its financial position.

Sir, I would likewise like to point out to my Honourable friend that the present fall in our exports is the second of the series within the last few years. Our exports had once before dropped from a higher level to a lower one. I mean when it fell down to 309 crores in the official year 1926-27 owing to the most deplorable exchange and currency policy of the Government from the average of 382 crores of the same three normal years mentioned above—namely, 23-24, 24-25 and 25-26. When it is thus realised

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that the present fall of about 80 crores for the current year is a second and additional drop in our level of exports, it cannot certainly be treated so lightly.

Sir, I thoroughly agree with the Honourable the Finance Member that the drop in the prices of our export articles is more serious than the one in import articles. This is really an evil, as we have to measure out more of our productions to get comparatively less of the foreign articles imported. But I cannot agree with him when he says that the present level of low prices of our export articles should be maintained in order to have outlets for our exports. It may be desirable but not practicable, as the prices of our export commodities are much below even the bare cost of production—leave alone the necessary margins for the agriculturist for his little savings and for the risks and chances of his profession in a country where much depends on the vagaries of the monsoon. Further, he has also to spare some little money to buy his necessities of life and it is this absence of all his savings and sparings that had seriously affected his purchasing power to the detriment of our industries, and to the even more serious detriment of the labour classes who depend on the prosperity of agriculture and industries for their wage levels and their very employment.

Sir, it is thus clear that the present level of prices cannot be maintained or reduced without serious injury to the general economic structure of the country. There is only one way out of this fix. There is only one solution to this complicated and comprehensive question and it is this. Something requires to be done which, without affecting our outlets, would make our local prices more economic or at least more practicable for our producers. In other words you will have to raise up a little our local rupee prices without affecting our export parities as measured by foreign currencies. You can only do that by lowering the ratio to its more natural level. I cannot think of any other way to get out of this dilemma. I do say it that 1/6 is not the natural level as our prices had not adjusted themselves to it. That is why we find the strange phenomena referred to by the Honourable the Commerce Member in his speech on the Railway Budget. I refer to his reference where when the Railway Board thought of a reduction in the railway rates of certain agricultural products, it was found that local rates were above export parities. That is all due to the non-adjustment of our prices to the 1/6 ratio.

I do not deny the fact that the present fall in prices and depression in trade is mainly due to world-causes of which we have no control. But a portion of it is also due to the unnatural—if you fight shy of that word—I will say, wrong ratio. The world depression will go away one of these days, but even after that there will be the trouble so far as it is due to the changed ratio. In other words, there is a world-wide depression, and we are suffering along with the other countries of the world in that respect. We have no complaint there, and this even at the worst is after all a passing phase. But in addition to that there is the added trouble due to the unnatural ratio. So our troubles and sufferings are twofold. This latter trouble will go on hampering us even after the world depression passes away, and that is why I say that, until we revert to 1/4 again, we won't see the end of our difficulties. You speak of shaking confidence. Why didn't you think of it in 1920 and 1927? You say if you drop 1/6, it will mean instability. Why should it be so? We were able to maintain a fairly stabilised exchange at 1/4 for quite a long time without any difficulty.

If it is possible for you to maintain it at $1/6$ and keep up your obligations, nobody can dispute it that it should certainly be much easier to maintain it at $1/4$. Anyway when the country wants it why do you want to stand on its way? You often repeat that the Government would maintain the ratio of $1/6$ —even the Right Honourable Mr. Bann has become a new convert to this slogan—with all the resources at its command. What for? Is it right to use the resources of the people against themselves and that for forcing a thing on them against their wishes. To maintain a higher level of exchange may be good for those countries like Great Britain whose imports are much larger than her exports and who further depend on foreign countries for their raw materials and their very foodstuffs. Our requirements are quite different. We want an assured and profitable outlet for our agricultural products like America. For that a lower exchange is a necessity. That is why America did so much to keep down her exchange level as compared to European currencies.

You speak of the flight of capital; but is it not this higher ratio that is putting a premium on the export of capital? Till you lower your ratio, you will continue to have this flight of capital. Your remedy to raise up the rate of interest on Government borrowings and for the trade here in the country to attract back the capital is simply a useless and a most harmful one, to say the least of it.

Now, Sir, as regards the proposed enhancements of taxes on income, I wonder whether the Honourable the Finance Member has really seriously considered what he is proposing. He wishes further to victimise those very classes who are the worst sufferers of the present prolonged severe depression. Evidently conscious of the wrong he is thus doing to the very sections of the community who were anxiously waiting for some relief in these respects from the hands of the Government and not further crushing burdens, the Honourable the Finance Member descends to special pleading and apparently having deceived or satisfied himself by superficial and hasty consideration of the matter, now tries to satisfy others. He does not want to reduce the salaries of the high paid Government officials as that would be "selecting the particular class of Government officials for bearing a special burden". And so he proposes certain increases in the rates of the taxes on income to apply to all sections of the people, apparently satisfying his conscience that he had thus distributed the burden on all classes concerned equitably. We must be grateful to him for not including the agricultural classes with additional land revenue proposals in his scheme of equal distribution of the burden over all classes, for that should be even more equitable from his point of view.

Now, Sir, did he also consider the other aspects of the question? That while the official classes were enjoying secured high salaries and other allowances fixed at a time when the cost of living was much higher than now, perhaps only benefiting, as a side issue, by the successive heavy drops in the cost of commodities and foodstuffs, all the other sections had suffered twice within the last five years alone by the fall in prices and the consequent economic depression in agriculture, trade and industry. Sir, I mean, first when the exchange was pushed up to $1/6$ by the manipulations of the Government and their other actions and now again mainly, I advisedly say mainly, due to the serious world-wide trade depression we are now in. So if we look at it properly it is not

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an equitable treatment that is proposed, but an additional unbearable burden on certain sections and a comparably light new one on certain others. Sir, I therefore submit that the proposed new additions to the taxes on income are neither sound nor just.

I will just say a few words as regards the details of the proposed new additional taxation. It goes up to 26 pies in the rupee in the shape of income-tax and a further 75 pies in the rupee in the shape of super-tax. So the maximum comes to 101 pies on the 192 pies of the rupee. If we bear in mind that many legitimate and necessary items of business expenditure are disallowed and that people are not even allowed to set off business profits against the losses incurred in the preceding years—Government only goes shares with you when you have profits and not when you have losses—that assesses have to be maintaining their families and a costly business establishment even during loss years all the same and that over and above all these the businessmen have to be paying interest on their borrowings for all years good or bad, we can easily imagine the plight of the poor assessee.

What is there left for him? Why should he do business at all, or run an industry with all the difficulties and risks staring him thus in his face? Is it to pay out of his previous accumulated capital or landed assets for the fun of doing business? Is this the way to encourage the industrial and commercial development of the country? Is it not rather the surest way to cripple and crush down the country in these respects?

Sir, I repeat that the proposed scheme of additional taxes on income is neither just nor sound. It means the sweeping away of even the little savings of the people visible here and there into the coffers of an extravagant and reckless Government, to the further serious detriment of the economic and industrial life of the country. The country cannot now bear any additional burden. It rather requires relief very badly, even, if it be to reconstruct its sorely damaged economic structure. The remedy lies in rigorous retrenchment and reduction of expenditure, both Civil and Military and not in additional taxation. The Government will never retrench of their own accord. It has to be forced upon them. They speak of retrenchment. Where is retrenchment? Last year their Budget was for 135 crores and it is the same 135 crores this year. It is not retrenchment they are carrying. They are playing with figures and they expect us to be always swallowing their sweet words minus acts. We want action and not sweet words and pious hopes. We do not want to be fooled any longer. We can't afford to be. Only if we refuse to sanction the new additional taxation they want, they will really begin to retrench. So let us refuse them the new additional taxes. Let them retrench, and if after that, when we are satisfied that they have reduced expenditure in harmony with the changed conditions and if we then find that they require more money, it will be for us then and not till then to consider any additional or new taxations, but on a certain accepted principle, and that principle shall be that all such new or additional taxes shall be of such a nature as would help us in the building up of our economic and industrial prosperity and not of the kind that would further and further cripple us in those directions.

Sir, I therefore submit in all humility that the proposed additional taxation on income should neither be accepted nor granted by this House representing as it does the people of the country.

The reduction in the military expenditure is too small. It is primarily the very heavy expenditure under this head that puts an undue strain on the long-suffering taxpayers and also retards all progress in the nation-building departments of the country, which are our crying needs today. It is most disappointing that it should still be above 50 crores. It should be below 40 crores by this time, in harmony with the changed times and circumstances. The general outlook of the world as regards military preparations is much changed since the Great War and is further changing for the better.

Further, Russia has long ceased to be an imperialistic aggressive power. In these circumstances why should we still want such a large military establishment, and that at a time when even the militarist European powers, generally too suspicious of each other, finding after bitter experiences that aggressive nationalism and wars do not pay in the long run, but rather result in serious harm to the very people that follow that creed, are almost every day reducing their forces and armaments.

Any detached and impartial observer cannot therefore help feeling that if we call a halt to the imperialistic ideas on the frontier, eschew rigorously all aggressive forward policies and entrust the people in the main with the defence of their own country by taking to the Indianisation of the Army in a right earnest spirit, it should not be difficult to have, before long, an Army quite enough for our real needs and thoroughly efficient but at about half the present cost.

Sir, I cannot understand why an enhancement of the export duty on new skins and hides did not occur to the Honourable the Finance Member. Since the import of finished leathers and leather goods into the country is so small—only less than a crore of rupees against the annual production of 40 to 50 crores worth of raw skins and hides in the country—and since by an import duty on manufactured goods alone, this important indigenous key industry cannot be protected and developed against foreign exploitation of our raw materials, an export duty of 15 per cent. *ad valorem* was imposed in 1919, but Government, being misled by the artificial agitation mainly engineered, and influenced by interested foreign interests established in the Northern parts of the country for the export of raw stuff to America and Europe, reduced the rate to 5 per cent. in 1923. Since then the industry has been struggling very hard to keep up its footing.

Mr. President: The Honourable Member's time is up. I want him to conclude in a minute or two.

Mr. Jamal Muhammad Saib: Immediately after that came the stunning blow caused by the enhancement of the exchange ratio to 1/6, and after that the world depression in trade. While the industry was struggling against all these adverse circumstances, the American Government in September last passed a new discriminating Tariff Bill and gave immediate effect to it. This was the last straw on the camel's back and it has completely upset the already struggling industry, as is well-known to all those who have any knowledge of this trade now. The industry and trade concerned have been making appeal after appeal to the Government to come to their rescue, but all in vain.

The net result of the new American tariff is that our existing export duty of 5 per cent. on raw hides is neutralised and in skins the tables are turned against us, and the Indian tanners are faced with a handicap

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of 5 per cent. (about 85 per cent. of our export of raw skins goes to America) as against the 5 per cent. we had against American importers of raw skins before. To bring it even to the position existing before the American Tariff began to operate, we will have to increase the export duties to 10 per cent. on raw hides and 15 per cent. on raw skins, and to go back to the position we were in before our export duties were reduced from 15 to 5 per cent., the above duties will have to be enhanced to 20 per cent. on raw hides and 25 per cent. on raw skins. Now every additional 5 per cent. on each of these articles means about 15 lakhs of rupees each and here is a good source of revenue that could give us more than a crore of rupees of new money and at the same time be beneficial to the country and its industrial and labour interests. There is also another way of doing it. The export duties can now be raised to 10 per cent. on hides and 15 per cent. on skins immediately, as that is only reverting to the position we were in prior to the American tariffs, and get 45 lakhs new money in the bargain, and for the other additional 10 per cent. in each case the matter can be referred to the Tariff Board.

Mr. President: The Honourable Member must now conclude.

Mr. Jamal Muhammad Saib: Yes, Sir. The Government have done nothing at all all these months and years. Is this the way to develop the country on industrial lines? When even existing established industries are allowed to go to ruin in this way by their acts of commission and omission, what are they going to do for new industries?

Sir, the Honourable the Finance Member is trying to shelve the question of allowing assesses to set off the losses incurred in previous years against business profits by saying that we should "not be guided so much by consideration of principle as by the practical conditions as regards revenue. It would mean a substantial loss of revenue and the question for us is whether the country can afford it" and so on. But has he also considered whether the assesses can afford it and that now? Where is the country without the people of the country? It is the people of the country that ~~make~~ the country. Another potent excellent reason of his for his denying this bare justice even at this belated hour, is that if that principle were conceded at present, the Government "would be starting it at a very bad moment" as there must have been an exceptional number of cases of trading at a loss this year. "A good principle and good argument indeed!" Even if we call it a relief—it is only a mere justice—it should rather be started when the people need it most as now. When the Honourable the Finance Member as the spokesman of the Government in his Budget speech of the last year and in the last Annual Meeting of the Federation of Indian Chambers of Commerce and Industry more or less undertook to consider this matter sympathetically, all took it that it would be considered justly and sympathetically, and not in the manner he has done. Even if the Government do not want to be sympathetic, let them at least be just.

Sir, let us for a moment see how the present system works. If an assessee incurred a loss of 50,000 rupees in the previous year and made a profit of 20,000 in the next, he would have to pay taxes on the 20,000 although he really made a net loss of 30,000 rupees for those two years combined. It therefore comes to this, that in spite of this net loss apart from his liabilities connected with the maintenance of his family and

business establishment, he has also to find money to pay taxes on income. And the case of the assessee who had two or three or four successive years of adversity before a year of profit can best be imagined. Is this justice? Is this fair play? Is this the way of dealing with those who pay your taxes?

Maulvi Sayyid Murtuza Sahab Bahadur (South Madras: Muhammadan): Sir, I thank you very much for having given me an opportunity of participating in the general discussion on the Budget. You may be aware that for about a month and a half I was not keeping good health and was seriously ill. I had contracted pneumonia. Though I am now free from that and other complications, I am still terribly weak and yet I have come to take part in this discussion. The reason is this. From the speech of Lord Irwin and from other sources I have come to know that the Government of India want to take up a forward policy so far as the North West Frontier is concerned. This will seriously involve them in difficulties, financially, economically, morally, and it will alienate the feelings of not only the Mussalmans of India, but also of all the Indians as a whole. Sir, you know that the frontier people, be they of the administered area or the non-administered area, have proved themselves the gate-keepers of India. They have been the defenders of India and what is the compensation they receive for it? The Government are somehow or other killing their martial spirit. They want to see them in the same condition as we Indians are in. They want to make them slaves. That is why you are not in a position to curtail your expenditure, so far as the Military Department is concerned. When there is a deficit of nearly 14 crores of rupees, the Honourable the Finance Member is not in a position even to effect a reduction of 7 crores. This goes to prove that the Members of the Indian Government are quite powerless in the hands of the Military Department. His Excellency the Commander-in-Chief is all in all. Whatever he says, the other Members have to give in. Now, Sir, it may be asked how far I can bear out what I have said. You know that some time ago there was an insurrection of Afridis and our Government wanted to enter into negotiations with them and did succeed to a certain extent. I warn the Government from this Bench that those days have now rolled on when these Pathans were not in touch with the politics of India. Now they are so much advanced that they even know who the recognised leader of India is; and that is why the first condition they imposed before entering into negotiations with the Government was that Mahatmajī should be released first. When they are in the know of things transpiring in India, how can the Government try to kill their spirit? How can they try to bring about their ruination? So I say this so far as this matter is concerned; I expect our Home Member and even His Excellency the Commander-in-Chief, whom I miss today, or the Foreign Secretary will make a statement as to what they propose doing so far as the Frontier Province is concerned. If they do not favour a forward policy, I may assure the House that a reduction of 7 or 8 crores can be effected.

In this connection I may say that the policy pursued by the Government of India as regards our co-religionists in South India, the Moplahs, who are the most law-abiding people, who did not at all wage war against the Government is glaringly unjust. I challenge the Government of India;

[Maulvi Sayyid Murtuza Saheb Bahadur.]

I ask my Hindu friends here from Madras as to whether the Moplahs had risen in rebellion against the Government, or whether it was the outcome of an agrarian dispute, a dispute between the tenants and landlords; they were involved in indescribable difficulties, it being suspected that they want to set up a Khilafat raj, and therefore under martial law they were subjected to many a hardship, which I cannot describe: I have seen those Moplahs in the Andamans: I was deputed by the Government of India to go to the Andamans (without having committed any murder) to see their condition. A deputation of four persons went: Mr. Schamnad, who is a Moplah himself, Mr. Abbas Ali, Barrister, who is now the Chief Presidency Magistrate, and myself with a Parsi doctor of Calicut who had no interest at all in the Moplahs. We went there and saw the actual condition of those people. They are suffering a good deal; and to add to their miseries their families have been sent over there; we saw their children crying; they came and began to embrace us and we took them on our laps and began to shed tears. We found them suffering from enlargement of spleen and other diseases. This matter was brought to the notice of the Madras Government and the Government of India, but nothing was done. A Resolution was passed unanimously in the Madras Council as also in this Assembly that those Moplahs, who were victims of martial law, should be released. Nothing has been done to put an end to their sufferings. The Government that pose to be exceedingly human have proved themselves quite inhuman in the case of the Moplahs and in the case of the North West Frontier Province. Fortunately or unfortunately they are not revolutionaries; our religion does not allow us to take to revolution; we cannot kill persons for nothing unless we have some personal grudge against them. The Frontier people who took to civil disobedience proved themselves true to their creed even when armoured cars ran over them and when so many of them were killed. Even then the Khilafat and Congress volunteers did not take to violence; and there you have got martial law up till now. The Government rule with an iron hand there and execute Muslims without any trial whatsoever simply on the bare statement of the alleged accused. In a recent case we do not know whether the Pathan actually made any statement to that effect or not; they say he did make a statement that he wanted to kill a certain officer, whereupon, he was summarily executed, for which the Government were censured here the other day. This is the state of affairs.

So far as Sholapur is concerned, the same martial law was promulgated there. There some constables were burnt alive, but then martial law was removed from Sholapur in a short period. I do not grudge this. But in the case of the Muslims, how have the Government been behaving? I want to bring it to the notice of the House. It is erroneously said that we are a favoured community. I say we are not. In no way are we favoured by the Government. We do not attach any importance to one or two appointments. In so far as the substance is concerned, Muslims do not get anything. Can any official or non-official come forward and question what I say? No, he certainly cannot.

As regards other matters, I would like to mention one or two. Last year we passed a Resolution to the effect that a certain stipend which was withheld from a Muslim, for having taken part in the Khilafat movement, for about 10 or 11 years should be restored with retrospective effect. A

Resolution was passed in the Madras Council and in the Assembly, and it was approved of by the Government without a division, and yet nothing has been done in this direction. This is how matters are being conducted and how we are being governed and how justice is being administered. It is with this object that I came here, though I was not in a position to walk a few paces without support. The Home Member who is my personal friend is a Persian scholar

An Honourable Member: Is he?

Maulvi Sayyid Murtuza Saheb Bahadur: Yes; and I will complete my speech with a Persian couplet. I trust my friend knows the allusion and so I need not take the time of the House. 'Tarsam na rasi ba Kaba Aai Airabi; keen rah kai tu merani ba Turkistan ast'.

The allusion is this; an Arab whose destination was Mecca took the road to Turkestan; a gentleman advised him on the way, "This is not the road which will lead you to Mecca, because it is the road leading to Turkistan". But he did not heed his advice and then he composed this poem.

The Persian couplet may be translated thus:

"Oh, Arab, the route you have taken will not lead you to your destination (Mecca) because this is a route leading to Turkistan; your very object of going to Mecca will be frustrated."

So I say that the Government cannot achieve their object by killing the warlike spirit of these Pathans, by executing them even without holding any public inquiry, and by doing things in the way they please. With these few observations, Sir, I conclude my speech.

Kumar G. R. Roy (Surma Valley *cum* Shillong: Non-Muham-madan): Sir, I hail from a province which the *Statesman* has charitably described as "backward". Strangely enough, I have also been treated as rather backward in this mighty modern Parliament by being allotted a back seat in a back bench, which I do not grudge at all. It is sometimes in these days safer to be a little backward than forward. Perhaps some of my unkind critics may imagine that I do not know what is generally called parliamentary etiquette, though my knowledge of the ways of the Mother of Parliaments only shows that every first class crisis there is devoid of any grace or etiquette. I however do not think I would be sinning against parliamentary etiquette if my speech is not so sugar-coated as the sugary speech of the Honourable the Finance Member. (Laughter.) But with all the sugar he has put in it, the Budget tastes much too sour. (Loud laughter.)

So much for the taste of the Budget, and now a word may be said on how it looks, on how the Finance Member has dressed it. We have witnessed yesterday and today showers of congratulations on the Finance Member. Arduous has been his task of preparing the Budget, and presenting his case with all the grand eloquence and astuteness of a gifted counsel, who opens his case on behalf of his client especially when he knows it to be a very weak one. Even a backward representative from a backward province cannot deny his meed of tribute to the Finance Member for so artistically mounting and gilding the edges of the volumes, which contain nothing but blank pages, with gold. This may seem an exaggeration, but the pages, though filled with facts and figures, do not mean anything more

[Kumar G. R. Roy.]

than so many blank cheques which nobody would care to honour. Nay, worse, it is a huge bankruptcy Budget, though I do not for a moment suggest that the Honourable the Chancellor of the Indian Exchequer is bankrupt of all financial sense. He has also a financial method of a first class financial expert. He has the approved style of a financier and the delivery of an artist. (Laughter.) Indeed, his art of delivering the Budget speech with which he opened the debate, induced many of us on this side of the House to swallow the sermon he preached from his altar. The Budget under discussion in my opinion can be compared to the "Mukul" fruit, as it is called in Bengal, which is tantalising in look but bitter in taste, and even a crow cannot assimilate it. (Laughter.)

The Honourable the Chancellor of the Indian Exchequer started by painting a picture of hope, but as he progressed with the subject, hope began to grow dim and stark despair started staring us in the face. He immediately provided a metaphor to solve the difficulty as if metaphors could solve difficulties. But he was prophetic. His figure of speech about changing horses in the middle of a stream concealed what yesterday's pronouncement so clearly revealed. The horses were being changed not in the middle of a stream, but in the vortex of a flood. (Laughter.) I am referring, Sir, to the statement which you read to this House amidst the contented happiness of everybody present. Said the Finance Member: "If the operation of changing horses is to be accomplished without disaster to India, then all who are engaged in it must work in co-ordinated co operation." Sir, may I ask in return whether the reins of the political horse which the Nawab of Bengal handed over to the East India Company were handed over with economic troubles and difficulties? (Laughter.) The horse then, Sir, had a golden saddle and a golden stirrup and a golden track to trot upon. Where are those golden days, I ask? Why is the war of gold raised today by the Finance Member? Why are problems, economic troubles and difficulties so eloquently painted? Why are we told by the Finance Member "India today has to consider a change of political horses just when she is crossing the stream of economic difficulties which is sweeping down in dangerous flood upon her"? As I said, when the reins of the same horses, which were handed over to the East India Company as trustee are handed back to their ward, now that the ward has come into his own, why talk of economic difficulties and draw a gruesome picture? He is returning to us tired horses, perhaps fit for no more work only he has not fixed the date when the horses could be chained ashore instead of being swept by the floods. (Laughter.)

And now to co-operation and co-ordination, which the Finance Member has been pleased to raise at the fag end of their reign of a century and a half or more. May I ask him, is it not a fact that Indians heartily co-operated with them? Is it not a fact that India stood with the Britons in the days of their adversity? Is it not a fact that during the last war Indian blood freely mixed in the battle fields of Flanders with British and Colonial blood in co-ordination and co-operation and without distinction of colour? What have we received in return, I ask? I do not refer, Sir to the Punjab days of martial law; I do not refer to stray cases of rupture of spleen. I do not even refer to the recent occurrences at Sholapur and Peshawar. But, it is so very difficult to pass over the *lathi* charges. Was it co-operation? Was it co-ordination? Was it all carried out to hasten

the change of horses? If the Honourable the Finance Member requires illustrations, I could cite him hundreds, nay, even thousands, not a single one of which he will be able to condemn. There is a maxim, Sir, "Treat others as you would like to be treated". The Honourable the Finance Member says, "We are on the ebb now, but it is a safe prophecy that the tide will turn". May I ask him when the tide of financial prosperity will turn in favour of our helpless country? Miserable and uncertain has become our national existence. Whimsical schemes have sprung out of the heads of our rulers, to which New Delhi is a witness (Laughter) and the old Government House and the Secretariat buildings and Council Chambers, which were built out of the revenues of the people, are now left as haunted houses. (Laughter.) Yet, he says, "What we need rather is to give unremitting care to details, to stick to principles of sound finance, to work hard, keep our heads, and pull together. Above all it is necessary to be sound in our finance". But where is the sincerity of this desire? The Honourable the Finance Member has saddled Indians with taxations in no fewer than half a dozen items or more, but has he shown his inclination towards cutting the top heavy administration, which is draining a considerable portion of Indian rates? How much of these taxes are going to be spent for our nation-building purposes? Then, Sir, where is the sincerity of the desire on the part of the Honourable the Finance Member?

His Budget reminds me of a story, Sir. In a family there were five members,—father, mother, son, daughter and a servant. They sat one day to discuss how to curtail their expenses. The father said, "Whatever retrenchment you do, dear, you cannot do away with my carriage for going to the office". The wife said to the husband, "You know, dear, that we married on the understanding that every year you will give me a new ornament, so, you cannot do away with that". The son said, "I have a great craze for riding horse, daddy, and I go to school riding, so you cannot do away with that". The daughter said, "Every year there must be an amount invested for my future provision, so you cannot do away with the yearly investment". Then came the turn of the servant; the servant was getting a share every day of the fish which was cooked for the masters. The wife said, "Ah! There could be a retrenchment here; give him *dal* every day and stop the fish". (Laughter.) And this retrenchment of the fish for servant was accepted in the family. I observe the same sort of economy practised in the present Budget too. Sir, we, like the helpless and voiceless poor servant, are always being taken by the throat. Let Rome burn but we must go on fiddling merrily! merrily!! merrily!!! Is this a healthy retrenchment? This reminds me of an incident. Please excuse the habit of my story telling. (Laughter.) In a certain boarding house the students were grumbling of bad diet against the superintendent of the hostel. On arrival of a new European principal from Europe, the students complained about the diet to him. The principal enquired of the superintendent what food he was giving to the students. The superintendent said, "I am giving them *dal*, rice, and essence of plantain". By "essence of plantain" he meant the middle part of a plantain plant which is called *thor* in Bengali. On hearing this, the principal, naturally being a European who held plantains to be very costly in his estimation, surprisingly said, "You are giving such expensive food to the students. This cannot be so, better stop the essence of plantain altogether and do not give them *dal* and rice together, give *dal* in the morning and rice in the evening, and rice in the morning and *dal* in the evening". (Laughter.)

[Kumar G. R. Roy.]

So, this happens to us also, Sir. We complain and raise cries for the redress of our grievances of taxations, etc., under which the nation is groaning, but unfortunately, in spite of and after all the round table, oblong table, and square table and every sort of discussion (Laughter) our conditions are going from bad to worse—and we with our constituencies are subjected to severe and fresh taxations more and more. Are we to thank or curse our stars, Sir?

Then the Honourable the Finance Member goes on to paint a sad picture of despair:

"... after the Wall Street collapse in America and from there the movement spread to other countries all the world over. The depression deepened at an accelerated rate in 1930, and conditions became progressively worse as the year advanced. As a result of the fall in crisis and the trade depression, practically all classes in all countries are suffering from a lack of purchasing power. It is too early yet to say whether the bottom of this movement has been reached, but in considering prospects for next year, I think it is necessary to reckon that, as regards prices and the general volume of commercial activities throughout the world, recovery will be slow."

Here he seems to express that he is not sure whether the financial crisis through which the world, especially India, is passing, has reached the bottom, but he is anxious to burden poor India more with various taxations. Sir, the average income of an Indian is not more than two rupees per mensem and the taxation will surely reach somewhere near annas four to six in the average. I would beg of the Honourable the Finance Member to go and personally see the miserable plight of the villagers of India, and more especially of Sylhet. If not 75, surely more than 50 per cent. are unable to take their full meals even twice daily. And when the Honourable the Finance Member is not sure himself whether their miserable plight has reached the climax, why does he burden the misery of Indians by further taxations? Is he, Sir, following the phrase, "From the frying pan to the fire"? It reminds me of a story, Sir. (Laughter.)

A thief was caught by some villagers and they severely molested the thief. The leader of the village at this juncture arrived on the spot. He exclaimed to the villagers, "Do not beat the thief so severely. He will die. Rather tie his hands and feet and put him into a gunny bag and throw him into the well". (Laughter.) The same spirit I find in the process of taxation of the Honourable the Finance Member. If he had some sympathy for the taxpayer, instead of piling taxes upon taxes on him, he would have diverted his attention to the curtailment of the military expenditure. He says, "No substantial economies would be possible without changes in the composition in the forces in India which would raise issues of military and constitutional importance". But he points out to us the Report of the Defence Sub-Committee of the Round Table Conference.

Life, Sir, is greater than constitution, and when a nation is incapable of bearing the tax that is put upon the nation, it would be much better if the constitution bends to suit the condition of the poorest people in the world.

The Military Budget has become a cause of great drain of the Indian revenue. When the nation is crying hoarsely for bread, His Excellency the Commander-in-Chief is coming out with a scheme for modernizing the Army, for which that Department, like the pet child of a rich man, is asking for one and a half crores from the Finance Member, and for this

Department, the Honourable the Finance Member is put into the awkward position of apologising to the House every now and then, with the humiliation of the father of a prodigal son.

In conclusion, Sir, I beg to remind the Honourable the Chancellor of the Indian Exchequer that from birth to death the lives of Indians have become lives of taxation, and there seems to be no end of the process. The Government, like an extravagant man, are indulging more luxuriously in the bad habit of spending more than their earnings, and we the Indians are on the verge of bankruptcy to satisfy our masters.

I, like the great poet, am tempted to repeat both to my friends on this side and to the Members opposite, "Qua Vadis?". (Applause.)

The Honourable Sir George Schuster: Sir, I must thank the last speaker for his very valuable contribution to the solution of the problems which are before us all. I would also wish to thank all Honourable Members for such few kind words as they have been able to say, and I thank particularly those—some of whom, I think, are particularly hard hit by my proposals—who have found themselves able to support them.

I have been tempted to make various reflections in the course of this debate. I have asked myself, first, having listened to the remarks of Honourable Members, what would be the qualities of an ideal Finance Member. I think he would be one possessed of a bottomless purse, and a magic wand that could transform human misery everywhere into prosperity. He must be rigid in economy, and yet, he must not resist demands for beneficial expenditure, always taking care to see that Ajmer-Merwara gets as much as Delhi, and that the North West Frontier Province is not left behind. He must be able to impose Customs duties which will prevent the entry of foreign goods, and yet, produce a large revenue. And, lastly, I think I may say that he must have the patience of a Job and the hide of a rhinoceros. I am afraid I possess none of these qualities, though I must confess that since I took up my duties, now two and a half years ago, my skin has got slightly harder. I was tempted to another reflection and that is this—that probably round about this time every Finance Member in every part of the world is having to stand up and meet a popular Assembly and listen to very much the same sort of criticism which I have heard today. I do not believe Honourable Members are unique in the privilege which they have of possessing an extremely easy case to make against any one who carries the responsibility which I carry today. And that leads me to a third reflection, and perhaps there is an element at least of cheer in this. I think I may congratulate Honourable Members opposite and those Members of the unofficial parties who may shortly be carrying our responsibility that they do not have to carry the burdens of office today. Any Government of any country, which happens to be in power today, is faced with an extremely difficult task and is a victim of misfortune. There is perhaps an element of good fortune that we have to face this now, for one hopes that this country will have got through the worse of this exceptional period of economic trouble before the time comes for launching the new constitution. I think it is at least better that this trouble should have occurred now and should not have supervened immediately after the constitutional change. That may, at least, be a consolation to Honourable Members opposite, though it is not of much comfort to us who hold the responsibility today.

[Sir George Schuster.]

Now, Sir, I have tried to follow very carefully the course of this debate, and the criticism really resolves itself into three parts. There is first of course the general objection which every one must feel to a Budget of this kind. Then there is the criticism of our failure to make retrenchment, and lastly there is the criticism of the new taxes which we have proposed to meet the gap. As regards the first charge, I am prepared to join in it myself. I object to this Budget just as much as any Honourable Member in this House. The imposition of an additional burden of taxation of this magnitude is an event which every one must deplore. Unfortunately it helps us little to be agreed on that point, and the real question which I put to myself, facing this unavoidable necessity, is whether there are any points in which we might have acted differently or better in the interests of the country. Perhaps the best way of dealing with these points and reflections is to run through some of the remarks which have been made, to which I should be glad to make some sort of reply. My Honourable friend Mr. Yamin Khan dealt chiefly with agricultural distress. He pointed out the great burdens under which the agriculturists are suffering now and he referred particularly to the heavy burden of interest which they have to pay to money-lenders. Now, in the first place, the direct task of dealing with the condition of those people rests with the Provincial Governments. Our own direct opportunity for influencing their condition is very small, but as regards the particular point which he mentioned, the heavy rate of interest, I can at least claim that I have made some attempt to deal with that problem in the institution of the Banking Inquiry Committee, whose results we shortly hope to have and to put before the country. The best thing one can do in circumstances of that kind is to inquire into the facts and to attempt to get a knowledge of where the shoe pinches, and with that knowledge to devise methods of alleviations. I hope we shall be able to devise some sort of remedy as a result of that inquiry for a state of affairs which I quite agree goes to the root of the well-being of the people of this country. My Honourable friend Sir Hugh Cocke had, if I may say so, some helpful suggestions to make, of which I will certainly take note. He particularly made a suggestion about the Retrenchment Committee and I propose to deal with that whole subject together at the end of my remarks.

I come now to the speech of my Honourable friend Diwan Bahadur Rangachariar, which I think I may take as typical of the criticism which has been made on our policy. He first of all took me to task for having failed to fulfil certain promises which I had made in earlier speeches. He referred, in the first place, to some remarks which I made in my first Budget speech, in which I ventured to say that I would take it to be my duty to study the economic conditions of the country. He asked what I had done in that direction. He took me very much to task for the lack of statistics in this country and for the fact that I, in giving certain figures, had relied on statistics for 1928-29. I think my Honourable friend was somewhat unfair in his remarks. As regards the study of economic conditions, that of course in its widest sense does not fall directly within the scope of my own duty, but I do venture to say that in the work which is going to be produced by the Banking Inquiry, to which I have already referred, a very valuable contribution will have been

made to the study of the economic conditions of the country. I think that the whole of the Reports of the Provincial Banking Inquiry Committees will be a possession of great value to the country for the next generation, and I am at least pleased to have had some responsibility in helping to provide the country with that information. Then I might also refer my Honourable friend to the fact that this year, for the first time, we have tried to put before the country up-to-date information as to the economic condition, and I believe from what several speakers have said that the circulation of the up-to-date Report of trade conditions in the country, which I presented together with my Budget, has been generally appreciated. That is all part of a policy for the promotion of which I claim to have done my best since I have been here. When my Honourable friend talks about antidiluvian statistics, the passage to which he referred was the passage where I gave the total figures for the cost of the staff employed both by the Central Government and by the Provincial Governments. Those figures were compiled a few weeks ago, and as, in order to complete them, it was necessary to get completed accounts from all the Provincial Governments, I had to utilise the figures for 1928-29 because I had not then available the completed accounts for 1929-30. But I do not think that the fact that one had to do that justifies my Honourable friend's charge.

Lastly, I would refer to the steps which the Government of India are taking to set on foot an Economic Advisory Council or an Economic Research Council, in response to the suggestion which was made last year by my Honourable friend, the Deputy President. This House knows quite well that, acting on that suggestion, we took into consultation the leaders of the various parties in this Assembly last year, and that since then we have been doing our best to study the whole question. In this matter—as in many other matters—and this is a point which I shall have to make later on in my speech—in this matter as in many other matters Honourable Members must acknowledge that during the last year it has been extremely difficult for the Government to get on with any work of this kind. We have not been able to get into touch with leading people on the other side. Everyone's attention has been occupied with other more urgent and more distressing affairs; and I think it is fair to claim that the Government have not had a fair chance of getting on with this kind of beneficial work which we should be most anxious to forward and pursue. Nevertheless we thought it wise to go on with this particular investigation, and with that object in view we arranged that Sir Arthur Salter should visit this country and give us the benefit of his advice on the sort of organization that might be set up. We hope to have his report available in the next two or three weeks and it will be published immediately. I merely mention these facts—I could mention a great many more—and if my Honourable friends could afford the time to go with me into my daily task or with any of us into our daily tasks, I am sure they would be convinced that we do our best to study these matters and to look after the interests of the country wherever it comes within the scope of our authority to do so.

Then my Honourable friend and many others who followed him took me to task for having claimed to have made a substantial economy in the military expenditure, which in fact they said was nothing more than a camouflage. There, again, I think my Honourable friend was really most

[Sir George Schuster.]

unjust. If he had read my Budget speech carefully, he would, I think have appreciated that I made no attempt to deceive the House on this matter at all. I told them exactly—exactly, how this economy was achieved. (Hear, hear.) I also made it perfectly clear in another part of my speech that military policy was not being altered at all. I have claimed no special merit for having effected retrenchments by any change in military policy. What I did say was this, that by adopting the practice that we adopted last year and by extending the period of a stabilised Budget for one year, we were able to reduce the average expenditure, that is to say the figure came down from 54 crores 20 lakhs to 53 crores 63 lakhs. Now that has been referred to by several speakers, and some have maintained that it does not represent a real economy. I agree that in one sense it does not represent any reduction of the total amount which the tax-payer if this programme is carried out, will have to pay, but what it does do is this,—it secures to the tax-payers of today some relief, and it is an earnest of the fact that military expenditure is going to come down when this programme of re-equipment is completed. That produced an economy of 57 lakhs. Apart from that, there were some further special economies of 113 lakhs made this year. Now those were produced in this way. First of all, there was the saving due to the reduction in the cost of grain and other Army purchases. Now, according to the arrangements made with the Army, it was intended that any savings of that kind should be transferred to a suspense account and should be available for the earlier completion of their re-equipment programme. I arranged, however, with the Army that they should immediately abandon those savings and that they should come to the relief of the general tax-payer. I claim no particular merit for that. There is no merit on our part in it. But at least we are securing for the tax-payer today the advantage of the fall in prices and therefore, that fall, which is so disastrous to many of the agricultural interests, at least has some countervailing advantage for the tax-payer in the reduction of military expenditure. Lastly and on the top of that the military authorities have agreed to postpone or abandon a large part of their building programme, and particularly a large number of measures designed for increasing the amenities for the troops. It was particularly in respect of what they had done in that sphere that I expressed my appreciation of the way in which they have helped out the general situation. I would like Honourable Members to realize that when this programme of re-equipment for the Army was started, at the same time the Army started a very intense economy campaign, and they told all their officers that if they would search out occasions of waste and make suggestions for economies, they would be able to get some advantage out of that for their own men by accelerating the completion of the programme of amenities which the Army wanted to introduce. By “amenities” I mean the improvement of barracks, the introduction of electric lighting and that kind of thing. Well, that was a great inducement to officers to hunt out economies, and it proved a very effective inducement, for a great deal was achieved in that way. But now the Army authorities have got to go to those officers and say, “You have done your part of the job but we are very sorry we cannot in the present financial situation let you have the money which you expected to get for the benefit of your troops.” It is right that this should be done, but at the same time I think, Sir, a word of appreciation is due to the military authorities for having agreed to

act in that way and to do so willingly. (Applause.) Now that accounts for the Army economies; and as I say, I claim no merit for it at all, but it does represent a real economy of expenditure in this sense that, according to the arrangement which we thought we were committed to, we should have had to provide in the Budget this year 54 crores 20 lakhs of Army expenditure, and we are actually only going to provide only 52½ crores. There is a real saving there of 1 crore 70 lakhs. Now, Sir, I have a good deal more to say about the Army, but I shall deal with that in my concluding remarks when I come to consider the general scope of retrenchment which it is opened to the Government of India to consider just now.

From my Honourable friend, Mr. Mudaliar—for whose speech I should like to express a special word of appreciation; he attacked me, but I must confess that the whole of his attack was fair and I listened with the greatest attention to his criticism—I was particularly glad to get an expression of view that just at the present time it was impossible for the Government to deal with the situation by making an enforced cut in salaries throughout the services. He went on to discuss what could be done about the reduction of pay in the services, and he criticised the Government for the suggestion of holding a conference with the Provincial Governments at Simla in the early part of the Summer. It is of particular importance to refer to his argument there because it illustrates so well the difficulties under which we are labouring just now. He asked what power or right have the present Government, whose term of office is at best a short one, to deal with a policy which will affect the future of the Federal Government of India? We recognise that limitation quite as strongly as my Honourable friend opposite does, but we also feel that a duty rests on us not to postpone every problem now and put it on the shelf and say: "We cannot deal with this finally but we must leave it to our successors". There is an enormous amount of preparatory work to be done, and if we feel that a certain course is right and that it ought to be tackled in the interests of the country, surely it is right that we should devise means for tackling it. That does not necessarily mean that we should come to final conclusions regardless of the constitutional issue, and, indeed, I took pains myself to point out that the whole question of the future of the services was a matter of constitutional importance and could not be discussed apart from the constitutional issue. But that does not mean that we must sit idle and do nothing about it. The mere fact that, if we are right that we cannot touch the salaries of the existing servants and that we can only open the way for economy by altering the terms of the people in future, the fact that that means that no immediate economy is available makes it all the more urgent to take the preparatory steps now. I feel—and I shall have to say more about this in conclusion—that this is one of the most important tasks before the country and I am sure Honourable Members on reflection will agree with us that it is right that we should do what we can to prepare a way for the Government which is to succeed us.

Then, my Honourable friend in his speech referred to the question of silver. I think that this was the only reference to this subject, at least so far as concerns our policy in selling silver or our response to any efforts for world co-operation as regards the control of the prices of silver. But as my Honourable friend referred to it, I should like to say a word on the subject, for it is one of very great importance. He, I think, said

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that, although I had dealt with the subject in my Budget speech and mentioned the fact that some response had been made to the general offer which I held out last year—a response which was not satisfactory,—I had reasons to believe that further steps were now being taken, and I expressed the hope that the Government of India would not allow themselves to be shut out of any further discussions, and that they would take the public into their confidence in the matter. Now, I can assure my Honourable friend that we most certainly shall not allow ourselves to be shut out of any discussion in that matter. We are, in fact, the most important factor in the world situation as regards silver, and nothing affecting our interests will be done without the consent of the Government of India. I should like also to respond to my Honourable friend's suggestion of taking representatives of the public into our confidence in this matter. It is a somewhat difficult subject to deal with. There might be very confidential discussions, and for obvious reasons it will be undesirable that we should disclose what was going on to any people who were directly interested themselves in the silver market. But if my Honourable friend has any suggestions to make on this subject, I can promise him that I shall do my best to consider them and that it would be my own desire to respond directly to his suggestion and be able at least to talk over the position with two or three men who enjoy the confidence of the Indian public and who, as I have said, are free from the particular objection that they themselves are interested in the silver market. I do not wish to say anything more about that subject now, except this, that up to the moment there has been no occasion on which we could have usefully consulted with representatives of that kind. Nothing so far as we are concerned has happened recently in that matter. I do not think it has got beyond the region of vague ideas; certainly it has not got to the stage of any sort of official communication.

Then, Sir, passing over the various speakers who have criticised our general programme of taxation or our failure to take other adequate measures for retrenchment, I should like to say a few words about the speech made by my Honourable friend the Deputy President, because he alone really dealt fully with the ways and means position. I entirely agree with him in his view that the ways and means position is often of greater importance than the mere revenue and expenditure position of the Budget, and it is a matter which raises much more complex problems. I have always listened to what my Honourable friend has said with very great interest, but I venture to say that his remarks did not strike me this time as quite so apt, quite so convincing or quite so interesting as they usually are. I do not know whether I am right in my diagnosis of the position, but it seemed to me that he was speaking from the pages of *Indian Finance*. Although I agree with him in the tribute that he paid to that paper, for I consider it a most valuable journal and one which contributes greatly to the knowledge and understanding of the public on these questions, I venture to think that if my Honourable friend had used his own mind he might have produced something more interesting in the course of this debate.

Now, my Honourable friend covered a wide field and I do not attempt to follow him all over it. He mentioned one fact. He talked about the flight of capital from the country and he said that that was due not really

to political fears but rather to the Government's financial policy, the fear of financial instability due to the incapacity of the present Government. I cannot agree that he is right in that respect, and I wonder how he would explain one phenomenon which is that a great deal of the movement of money has been from Government of India rupee securities to Government of India sterling securities. In that case after all, when it is a question of financial credit, the same considerations apply to the one as to the other. That rather points to the fact that one of the incentives must have been some speculation as to the possible change in the sterling value of the rupee. Then, my Honourable friend dealt with some figures that I gave in my Budget speech to show that the total contraction which we had effected had not been excessive. He said that there was a fallacy in my figures. I quite agree with him that it is impossible to get at any accurate figure of what the total number of silver rupees in actual circulation is, but the figures, which I gave and which were really material to my argument, were, I think, figures of which one can speak with absolute certainty. I was only concerned with calculating the reduction in the volume of currency in circulation as between two dates. Now, as to the reduction in the volume of silver rupees in circulation, that of course is a certain figure. The only point which is uncertain is what percentage of the total volume of rupees which were originally in circulation that reduction represents. I admit that there may be some room for variation in the basic figure, but as I think I was comparing reduction of about 18 per cent. in the currency with a reduction of 31 per cent. in the wholesale prices, I do not think the possibility of error in the basic figure of rupees originally in circulation can be great enough to vitiate the main purpose of my argument, which was that the percentage of reduction in the currency in circulation had not been excessive, having regard to the fall in prices and the diminished volume of requirements of currency due to that cause.

Then my Honourable friend gave me what he called a constructive suggestion, which I feel he must have taken from the pages of the journal from which he was quoting. I think there is a great deal in it; but it is a line of action which can only be followed in certain circumstances. There is no magic in it and of course if we followed that line of action, it would have reactions in other directions. What my Honourable friend suggested was this. He said that we set aside every year now very nearly 7 crores for reduction and avoidance of debt. He said "instead of using that money for the reduction of your borrowing, use it for buying up in the market some of your outstanding securities". To that proposal of course there is another side. If I use 7 crores in buying up existing securities, then I have got to raise 7 crores more of new money. I quite agree that in certain circumstances the psychological effect of the knowledge that the Government are behind the market with 7 crores of rupees, to invest in existing securities may be of advantage, but I would point out to my Honourable friend that to some extent that consideration already operates. We have a definite sinking fund on the 1939-1944 loan; we also have a sinking fund on the 1929-1947 loan and on the 1945-1955 income-tax free loans. I do not believe that if he went into the effects of the operation of our sinking fund on the 1939-1944 loan, in the circumstances that have been prevailing in the last 18 months, I do not believe that he would find that his theory is borne out in actual fact. But there is another consideration which I would ask him to give his attention to and it is this. As I pointed out in my Budget speech, our market for rupee securities

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in India must move really in relation to the market for our sterling securities in London, and the great difficulty of the past years has been that the market for our sterling securities in London has been the main depressing factor and that is my justification for saying that it is the political factor which has mainly influenced the course of affairs and has been the main cause of our difficulties. It is absolutely useless for me to adopt a policy which is going to put our rupee securities on to a 4½ per cent. basis, if our securities in the London market are seeking a 6 per cent. basis:

Mr. R. K. Shanmukham Chetty: If my Honourable friend would permit me to interrupt him, I did not preclude in the suggestion the possibility of the Government entering into such open market operations even in their sterling securities in London.

The Honourable Sir George Schuster: I am not quite sure if I have understood the purport of my Honourable friend's interruption. But the point I was making is this, that although there may be occasions when the psychological effect of our supporting the market might be very beneficial, nevertheless if the general conditions are such as to outweigh any sort of psychological factor of that kind, as I think they have been during the last eighteen months, anything that we can do in that direction of supporting the market would simply be a drop in the ocean which really in the long run would have no practical effect at all. I venture to ask my Honourable friend to consider that point of view because, as a matter of fact, I have given very careful consideration to the suggestion which he made.

But perhaps we have got on to rather too technical matters and I ought to get back to the main thread of the debate. What it really comes to is this. We are faced with a certain position; we have a gap to fill. We can fill it either by a reduction of expenditure or by the devising of new sources of revenue. Now, the question is in the present year, could we have dealt with the gap in any way better than we have done? The main point that I want to put to Honourable Members is this, that as regards both lines of action, we are hampered at present by the constitutional uncertainty. Now, take retrenchment first. I am grateful to my Honourable friend Sir Hari Singh Gour for having quoted what I said last year, because it relieves me of the obligation of going over again a great deal of the ground that I might have had to traverse. What it really comes to is this, that judging from what has been said by Honourable Members opposite, they take the view that, if you cannot cut down military expenditure, it is not much use of talking about retrenchment at all. I do not go nearly as far as that, because I think it is certainly worth while, and it is the duty of Government to watch its civil expenditure very carefully indeed. But I do say this, that you cannot make any major immediate effect on the financial situation unless you are able to effect reduction in the military expenditure, and from that I go on to this point, that reduction in military expenditure is a matter of policy, which, as I said in my Budget speech, cannot be dealt with independently of the constitutional revision. Now, that being the position, how otherwise could I have dealt with the situation this year?

I now come to my proposal for a Retrenchment Committee. Now, I have been forced to draw some rather surprising conclusions from the way in which that proposal has been treated. It was a perfectly honest and

fair proposal intended to meet what I expected would be the wishes of the House. But its reception leads me to the conclusion that if the Government want to avoid an embarrassing obligation, the best thing for them to do is to come to this Assembly and offer to undertake that very course. The Assembly then apparently will say, "This is only a bait; we are suspicious of your motives; we will not touch it at any price". That is what has happened in this case. We come before the Assembly and say, "We have done all that we can to effect retrenchment, but we quite recognise that in a time like this, when we are asking you to accept heavy new burdens of taxation, you have a right, through your own representatives, to satisfy yourselves that we have done all that is possible". I should have thought that in those circumstances, as representatives of the public, Honourable Members opposite might have been glad to accept that opportunity. But if they think that that particular line of enquiry is not suitable for dealing with the present situation, and that it would meet the case better if the Government were to carry out its own enquiry with the assistance of one or two specially nominated outsiders, not necessarily Members of the Legislative Assembly, the Government would be perfectly willing to consider that line of action. All we want to do is to follow this matter up as far as we can at the present, and to convince the representatives of the public that we are doing our best and we have not got any opportunities which we have left out untried. That being the case we could deal with it either by the appointment of a Committee of the Legislative Assembly as I proposed, or by the appointment of a Government Committee with one or two outsiders nominated to assist the Government representatives in that matter. I should be very glad if Honourable Members would consider this, because we on this side are only anxious to find out what it is that they really want. I venture to suggest that something of this kind is desirable, and I venture to disagree with the line of argument which says that in the present condition it is no use making a start in this matter at all. Retrenchment is of two kinds; you can have retrenchment which is in the form of eliminating all sorts of waste and stopping up of leakages, or you can have retrenchment which is based on the cutting out of services and really involves questions of policy. Now as regards the first kind, of course it is the duty of the Government always to do its best to stop all waste and to run the administration in a way which is not extravagant for the purposes which it has to perform. But there is always the tendency for the official plant to grow, and I myself think that there is always great value in getting outside vision to bear on questions of this kind and having the situation reviewed from time to time; and therefore from that point of view merely for the purpose of hunting out opportunities for cutting out waste, I think a Committee with one or two outsiders on it would be a thing of value. Then when you come to questions of policy, they again may be of two kinds. There may be a matter of policy such as eliminating, let us say, the civil aviation services or cutting down our policy of giving money for agricultural research. That is a question of policy, but it raises no constitutional issues, and on a question of policy of that kind I venture to think that this Government, although it is an official Government, would naturally wish to be guided by what is the public opinion on the subject; and therefore Government themselves would want to consult with representatives of the public in considering whether economy has to be achieved by a policy of that kind. So that, in that way again, a representative Committee might be of value. Then there is the other branch of questions of policy which at the present juncture raise constitutional issues. There I quite agree that no committee

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could come to any final conclusions independently of the settlement of the constitutional issue. But I did try in my Budget speech to make it quite clear how I thought that this Committee which I proposed would work in with what I described as the wider inquiries and the wider issues; and even in connection with these wider inquiries and these wider issues, there is I think a great deal of preparatory work that can be done, and it would be of great value to get on with that even now. Having said that, I should like to say one thing more and that is that we are only making this suggestion in order to satisfy Honourable Members opposite; for, as far as I am concerned, and as far as my own conscience goes, I am satisfied that—barring possibly a few details here and there—there is not much field for retrenchment in the Central Government services just at present, (I mean for retrenchment in the form of eliminating waste,) because just at present the machine of Government has got to perform a double task. We have got to deal with our current work and with the constitutional reforms as well.

Sir Hari Singh Gour: Do I understand the Honourable Member to say then that the Committee will be merely eye-wash?

The Honourable Sir George Schuster: Sir, I am sorry I could not quite follow the Honourable Member?

Sir Hari Singh Gour: If the Honourable Member is of the same opinion this year as he was last year that there is no room for economy in the Central Government establishment, what is the use of this Committee which will be merely eye-wash?

The Honourable Sir George Schuster: If my Honourable and learned friend is always ready to accept my opinion as completely infallible, I have no doubt he will accept that position. I am merely telling him what my opinion is. But I want him to satisfy himself; and having made this offer I think it right and honest for me to say that I do not believe that in the mere form of elimination of waste, you will find much meat to take off the bone. I think it has pretty well come down to the bone now. But if you like to come in and have a try, I am inviting you to do so, so that you can see that we have got nothing to conceal. If we can satisfy public opinion on the point, something at least will be gained. I wanted to make that clear, because having made this offer, there were two things which I wanted to say when my Honourable friend interrupted me. The first was that I do not myself believe that you will be able just now to achieve very much in this particular form of economy. The second is that I think you ought to take into account that all Government Departments are now extremely hard-worked with this constitutional revision; and it is a question whether it is in the public interest to introduce the extra work which such an inquiry sitting just now brings. These are the considerations for Honourable Members to take into account. As far as we are concerned, our only object is to satisfy them that we are doing our job as best as we can and that we are not attempting to conceal from them any hidden methods of economy which more competent people than ourselves could discover.

Then, Sir, on this question of taxation—I do not wish to detain the House much longer and must apologise for having kept them so long—I have heard very little criticism of our Customs proposals. The chief attack

has been directed at the income-tax proposals. As regards the income-tax proposals, I fully recognise that they do represent a serious imposition and a serious sacrifice for a great many classes in the country. I had hoped when I put the proposals forward that they would represent no more than an emergency measure to remain in force this year, and that by the end of this year we shall have taken stock of the situation and we should know on the one hand whether the present economic depression was really permanently fixed upon the country and whether we have really got to reckon on the present level of prices continuing for the indefinite future, and on the other hand we should also have explored various avenues for future economy and we should have a clearer vision of the constitutional issues. Apart from that we might also explore certain new methods of taxation, and these were referred to in my Budget speech in a passage from which my Honourable friend Mr. Sarma quoted in the course of the debate today. I have great hopes that it will not be necessary permanently to maintain income-tax at this level, and I would ask my Honourable friends opposite to look at the proposals particularly in that way. If they have any constructive suggestions to make which will enable us to get out of the difficulty, we of course will give them our best consideration. But after a very careful exploration of everything that can be done, and after considering what we could estimate as our prospects next year, I venture to say that there is no other source of taxation for filling up the gap except a temporary imposition on the income-tax, and that there is no way which will be sound in the country's interests of making that gap appear to be smaller. I think we have gone as far as we could in our optimism about revenue estimates. I think we have gone as far as we could in our cuts in expenditure, and I think we have gone as far as we could in every direction to explore every alternative source immediately available for raising revenue. Therefore I would ask my Honourable friends in the course of the next few days to consider very carefully their position; for, after all, it is their position mainly, and not ours, which we are considering. It is they who will be concerned with the future; it is they who will suffer if we do not meet the present position adequately. I hope that as a result of that consideration they will look at my proposals rather differently from what has been indicated in certain of the speeches today. I also hope that they will reconsider the whole idea about the exploration of methods of economy for the future and give me some chance of knowing what they really want on this question; for I venture to say that this is one of the most important questions before the country. When in my Budget speech I put forward the opinion that the Government of the country till now had not been very costly, I was not intending to suggest that certain offices in the Government did not bear a rate of pay which was high compared with standards in other countries. What I meant to say was this; that, working with an official Government, in spite of the fact that certain officers have been highly paid, I thought the total cost of the Government of India has on the whole been comparatively cheap. But it is impossible that members of the Government in the future when they have to work with more representative government, will be able to work with such a small number of offices or with such a small number of officials. What is possible under an autocratic government will certainly not be possible under a democratic government. A democratic constitution is certainly going to cost more, and unless you can reduce the standard of pay throughout the services, I do really foresee very great difficulties before this country.

Some Honourable Members: Hear, hear.

The Honourable Sir George Schuster: Therefore I think it is time that attention was given to that subject now, and if we can carry the matter any further by discussion between the Government and any representatives from the other side so that we may explore how this whole matter is to be further studied, I think we shall have achieved something useful during this session.

Sir, I must apologise for having kept the House so long. I have no more to say at this stage. (Cheers.)

The Assembly then adjourned till Eleven of the Clock on Saturday, the 7th March, 1931.

LEGISLATIVE ASSEMBLY.

Saturday, 7th March, 1931.

The Assembly met in the Assembly Chamber of the Council House at Eleven of the Clock, Mr. President in the Chair.

PROCEEDINGS OF THE ROUND TABLE CONFERENCE IN LONDON—*contd.*

Mr. President: The House will resume further consideration of the following motion moved by the Honourable Sir George Rainy on the 2nd March, 1931:

"That the Parliamentary papers in connection with the Indian Round Table Conference be taken into consideration."

Maulvi Muhammad Yakub (Rohilkund and Kumaon Divisions: Muhammadan Rural): I am one of those who are alive to the importance of the work done by the Round Table Conference. I do not, however, share the enthusiasm which was shown by my Honourable friend Mian Muhammad Shah Nawaz the other day; I do not think that India has achieved what was wanted, or that the Mussalmans, as a matter of fact, have achieved anything. (Mr. Muhammad Anwar-ul-Azim: "Nothing.") I also do not share the disappointment which was shown by my Honourable friend Mr. B. Das. What I think is that, if there is no reason for over-optimism, there is also no room for gloomy pessimism. Nor do I under-rate the value of the work of those who received and responded to the invitation of His Majesty's Government to attend the historic gathering. I also wish to associate myself in the tribute which was paid to the labour, sincerity and far-sightedness of the Indian delegates, and I wish also to associate myself with the tribute which has been paid to Lord Irwin. To Lord Irwin goes, undoubtedly, the credit of bringing together, for the first time, on a status of equality the representatives of India and England in order to discuss the future constitution of the country which would fulfil the aspirations of Indian people. Future historians of India will realize the value of the work which Lord Irwin has done to place India on a status of equality with the other component parts of the British Commonwealth. Lord Irwin did not content himself with writing despatches from the Viceroy's House in India to Whitehall in England, but realizing the value of personal contact and face to face talk, he undertook a journey to England, and in spite of adverse criticism on the part of some of those to whom he owed his appointment as the Viceroy of India, he succeeded in bringing home to the British Government the need of speedy fulfilment of the pledges which were given by England to India; and impressed upon the British Cabinet the need of inviting the Indian representatives to a Round Table Conference. The dignity of the Conference was greatly enhanced by His Majesty the King Emperor's consent to inaugurate the opening of the Conference, and the association of His Majesty's august name with the Conference lent a unique dignity and inestimable importance to these proceedings

[Maulvi Muhammad Yakub.]

I am not at all sorry that the Conference could not come to any definite decisions, and that the final word on the different issues that were raised during its discussions could not be pronounced. India is a unique country in the world and its problems are also unparalleled. We cannot imitate, *verbatim*, any type of constitution prevailing in any country of the world: our problems are purely our own and their solution will also assume a form which must be exclusively our own. The Prime Minister was therefore perfectly right when he said in his last speech, delivered at the final plenary session of the Conference, that, "The precise form and structure of the new Federal Government must be determined after further discussion with the Princes and the representatives of British India."

If there is any thing in the proceedings of the Conference which has received the largest measure of unanimity, it is that the future constitution of India must assume the form of a federation and not a unitary form of Government. This must be considered as an accomplished fact, and if India's problem is really to be solved, there should not be the slightest idea of opening a back door or a side window to get out of it. It must however be recognised that the building up of a federal constitution for India, with Indian States as its component parts, is not free from complexities of an intricate nature. The representatives of British India were therefore justified in their hesitation, "To accept any constitutional change which might be thought to endanger the unity of the British India or those positive advantages which are derived from a uniform body of the law and administrative practice". It will have also to be recognised that. "Any measure of federation involves for the States sacrifices in a sphere to which they have always attached the greatest importance for practical reasons as well as on grounds of existing treaties and sentiments". I wish also to pay my humble quota to the tribute that has been paid to Their Highnesses who were present at the Conference, for the magnificent part they have played in that historic gathering, and the patriotic interest they have shown in Indian Affairs. However it would be quite premature to form any opinion as regards the form which the federal structure would assume when it is completed. The method whereby the representatives of British India are to be chosen does not present any great difficulty in my mind, but the methods by which the States' representatives should be chosen, the extent to which and the subjects in respect of which they would be entitled to influence the administration of British India, are matters of great complexity. The report says:

"Since the functions of the Federal Government will extend beyond the range of federal subjects and will embrace those matters which are strictly the concern of British India alone. . . ."

Any participation of the representatives of the Indian States, without any reciprocal rights to be vested in the representatives of British India, in matters relating to the administration of the States, apparently seems to be quite unjustifiable. Then, again, the claim of the Indian States to have an equal number of their representatives in the Senate and also "some greater representation than they would obtain on strict population ratio" in the Lower Chamber are matters which call for very great deliberation and consideration. Beyond these matters of general interest, the participation of the Indian States in the federation will greatly disturb the proportion of the Mussalmans in the population of the country, and their

representation both in the Senate and the Lower Chamber. The Muslim claim has all along been that in the Central Legislature their number should not be less than one-third of the whole, and they would not agree to any fall in this number on account of the influx of the Indian States.

The² division of the Central Legislature into two Chambers does not seem to be open to any objection, but I do not feel inclined to give my unqualified support to the unanimous opinion of the Federal Structure Sub-Committee that "The British Indian Members of the Senate should be elected by the Provincial Legislatures." Although I am not wholly opposed to a system of indirect election being introduced for the selection of the Members of the Upper Chamber, yet I submit that a single electorate of the Provincial Legislatures would be too narrow and render the Upper Chamber altogether a slave to the Provincial Councils. I would suggest that in addition to the Provincial Legislatures the Municipal and District Boards and the governing bodies of the Universities in India should also form a part of the electorate of the Upper Chamber of the Central Legislature.

During the limited time at my disposal I find it difficult to make a detailed review of all the important subjects which have been dealt with by the Round Table Conference. Passing briefly over the wide range of the subjects, I should like to accept the position "that the responsibility for the Federal Government in India will in future rest upon Indians themselves", and in this connection I welcome the announcement on behalf of the British Government contained in the Prime Minister's final speech that:

"Responsibility for the Government of India should be placed upon Legislatures, Central and Provincial, with such provisions as may be necessary to guarantee, during a period of transition, the observance of certain obligations and to meet other special circumstances and also with such guarantee as are required by minorities to protect their political liberty and rights."

„And I may add, their religious rights and culture as well.

It must however be borne in mind that in order to avoid dislocating jerks and shaking to the federal machinery the residuary powers of the legislation must rest with the provinces. I entirely endorse the unanimous verdict of the Defence Sub-Committee that, "In a matter of such importance as defence the utmost care was necessary." I also associate myself in their anxiety "not to create the impression that any one in any way or to any degree wanted to say anything that could even remotely tend to imperil the safety of the country or to weaken the strength of the Army, but this should not mean that there should be a slackness in the pace of Indianisation of Army and immediate steps be taken to increase, substantially, the rate of Indianisation in the Indian Army to make it commensurate with the main object in view."

Coming to questions of details of the constitution I would like to make a few remarks on the subject of franchise. Contrary to the views generally expressed on the subject, I hold that a large increase and broadening the right of vote is not desirable under the present conditions of the country. The experience of the last ten years of the manner in which elections are run in this country and my knowledge of electors, specially those belonging to the rural areas, has fully convinced me that it would be extremely detrimental to the interests of the country, if the task of fitting the machinery, of federation and provincial autonomy, is left in the

[Maulvi Muhammad Yakub.]

unskilled and untrained hands of medieval-age-like peasantry of the country and I hope that great care and caution would be exercised in taking further steps in this direction. In any case educational qualification must form an integral part of the franchise qualification both for the Central and Provincial Legislatures. The North West Frontier Province has been treated most shabbily by the Government, and it is high time that the province should immediately be given the status of a Governor's province, with the same rights and privileges as will be enjoyed by other autonomous units in the country. In matters of defence and foreign policy, the province will no doubt be dealt with by the Central Legislature, but in other respects there should be no difference. The formula recommended by the Sub-Committee, i.e., "that the Executive should consist of the Governor assisted by the advice of two Ministers," cannot be acceptable to the people who have so long suffered the atrocities of an autocratic rule. The suggestion made by Sir B. N. Mitra, i.e., "acting on the advice of two Ministers" must therefore be adopted. In the composition of the Council the number of fourteen nominated members out of a total of forty is inconsistent with the spirit of autonomy; this number in no case should exceed six, and nominations should be confined to military officers, whose presence in the Council of that province, in my opinion, seems highly desirable. I am strongly of opinion that the Hindus and the Sikhs in the North West Frontier Province should be treated in a most liberal manner, both as regards their representation in the Legislature, as well as the provincial services,—“their representation might be three times the figure to which they would be entitled on a population basis”. The safety of the whole country mostly depends upon the contentment in the North West Frontier Province and the loyalty of its inhabitants, and it must be the first and foremost duty of the Government to restore peace and contentment in that province.

Lastly I would like to make a few observations as regards the safeguards for the Mussalmans in the new constitution. I do not wish to introduce communal heat in this debate, and it would be very unfortunate indeed if the discussion in the House assumed a communal form. On this occasion I halt for a minute and wish to dissociate myself from what was uttered by my friend, Mr. Maswood Ahmad, the other day. I think, Sir, he was doing great harm to the cause of Mussalmans when he wanted to deprecate the status and position of the Mussalman delegates to the Round Table Conference. Although the Muslim delegates were not selected by means of a direct election, yet I am confident that if resort were had to election, 85 per cent. of these gentlemen would have been elected by a very large majority of the people of their own community. Now, who were these representatives? One of them was His Highness the Aga Khan. Since 1906, when the Mussalmans took a deputation to Lord Minto, he has been recognised as the leader of the Mussalmans of India. It was he whom we invited from England to preside over the historic All-India Muslim Conference held in Delhi in 1918, and it is he whom we have just now invited to preside over the deliberations of the Conference again. Can anybody doubt the representative character of His Highness the Aga Khan? Can anybody doubt the representative character of Mr. M. A. Jinnah, who has for a long time been the President of the All-India Muslim League and has been the trusted spokesman of the Mussalmans

in this House as well as in outside conferences and other bodies. Can anybody doubt the representative character of Sir Muhammad Shafi, who is one of the founders of the All-India Muslim League; who has presided over the deliberations of that important body and who is looked upon as one of the most important leaders of Muslim opinion in India? I will also mention the name of Begum Shah Nawaz. That Mussalman lady, who, by the work that she has done, has enhanced the position of Indian ladies in England. She has given a material and personal reply to Miss Mayo's "Mother India". It would be very unfortunate if we in any way tried to deprecate the work of the delegates who went to London. I wish to make it quite clear that the Mussalmans in India are not behind any other community in their demand for Dominion Status. Personally I am prepared for any sacrifice that we may have to undergo in order to achieve this object. Even the lives of my co-religionists, however dear to me, have no value when the freedom of our motherland is concerned. I should be very happy indeed if we were to lay down our lives for the sake of our country and the foundations of a free India were laid in our graves. But what really we want is a free India, in which all communities and classes should enjoy equal rights of citizenship. We want freedom for all and equality for all, and not a change of masters. Mussalmans demand an equal share in different branches of administration of the country, and not mere safeguards. Mussalmans will not be prepared to merge their entity in the majority. They want to live like a living nation, free to enjoy their religious rights and to maintain their culture and their traditions. I need not reiterate the Muslim demands on this occasion. Mr. Jinnah's 14 points have now obtained so much publicity that they require no introduction. The fact is that the party which is numerically larger, financially more prosperous, and educationally superior can and ought to behave in a more generous and more patriotic manner. The owner of a thirteen-anna share can easily afford to make a gift of two or three annas, while a poor beggar who has got only three annas in his purse can ill-afford to spare a single pie.

Mr. President: The Honourable Member's time is up.

Maulvi Muhammad Yakub: Very well, Sir.

Mr. K. Ahmed (Rajshahi Division: Muhammadan Rural): You had better summarize then.

Maulvi Muhammad Yakub: I will summarize within two minutes. I am not enamoured of separate electorates. Separate electorates are not a goal in themselves; they are only a means for reaching the goal, and if a more suitable method could be found to achieve the object in view, I would have no hesitation in giving my best consideration to the question of abandonment of separate electorates. The real safeguards of the Mussalmans consist in their majority in the Punjab and Bengal not being reduced to a minority, the separation of Sind and the inauguration of full-fledged reforms in the N.-W. F. Province. Personally, I think we want separate electorates only for the Punjab, Bengal and the Central Legislature, while in provinces where we are in a minority I would prefer a scheme of joint electorates according to the formula suggested by the late Maulana Mohamed Ali, and with reservation of seats although an overwhelming majority of Mussalmans in my province favours separate electorates. In the matter of weightage

Mr. President: Order, order. There are so many Members who wish to address the House that I intend to enforce the 20-minute rule rigidly.

Maulvi Muhammad Yakub: Well, I shall finish, Sir. I have said most of what I had to say. In conclusion I will only say this, that on our part we are ready for any honourable settlement, and we have extended our hand of re-conciliation, as is clear from the fact that I invited Mahatma Gandhi and his friends to attend the meeting of the Council of the All-India Muslim League, and we want to see what response we get from the other side.

Sir Cowasji Jehangir (Bombay City: Non-Muhammadan Urban): Sir, although convinced that the work of the Round Table Conference was of a character that will meet with general acceptance in our country, I do not stand before you as an uncompromising advocate of all the suggestions made in the Reports of the Sub-Committees. The best proof of the success of the Conference is, in my humble opinion, the prospective co-operation of that school of political thought led by Mr. Gandhi, which has up to now not recognized the ability of this Conference to lead India to her cherished goal. Sir, there must be convincing proof in the pages of the Blue Book laid on the table for our consideration, of His Majesty's Government's desire for legislation both honourable to England and honourable to India if it has tempted men of the school of thought led by Mr. Gandhi to promise their future co-operation. I think it can be legitimately claimed that the Conference has laid a sound foundation for a future self-governing India. The names of some British statesmen will ever remain honourably associated with the work of the Conference, and especially that of one who, although he was not present at the Conference in England, will ever remain honoured not only in connection with the work of the Conference, but with the work that he has lately done in this country—I mean the honoured and distinguished statesman, the Viceroy of India. (Loud and prolonged Cheers.) I would like to draw attention to an incident that occurred at the Conference, which has not I believe attracted notice in this country as it ought to have. When the Viceroy's name was first mentioned in the Conference by the first speaker, Sir Tej Bahadur Sapru, it was received with an unprecedented ovation, which lasted from two to three minutes, and I feel sure that that ovation had a most beneficial effect and created a deep impression upon the British delegation and the British public, and I also feel sure that every Honourable Member of this House will consider that that ovation was more than justified. (Applause.)

Sir, the idea of a federation or a united states of India was no new one. It was mentioned in the Nehru Committee's Report. It was considered by the Statutory Commission, but unfortunately it was placed in the category of a distant goal. It was also mentioned in the despatch of the Government of India. But it was the Conference that at one leap traversed the long period of delay forecasted by these two documents, and brought within practical politics a transfer of power to this Legislature, with certain reservations, I admit. It was this achievement of the Conference that is outstanding, and if it had done nothing else but had only brought forth a statement of policy that the transfer of power should now take place, and that this Legislature should be the responsible body in India to whom the Government should in its turn be responsible, I consider that, that achievement alone would have been worthy of the consideration of this country.

Sir, once this issue was decided naturally the minds of the delegates were confined to the reservations.

I would like here, Sir, just to say a few words on the unique method adopted at the Conference to enable Honourable Members to realize that it is really difficult to follow the proceedings of the Conference by merely reading the Reports. The Chairman usually tried to summarize what he thought was the conclusion of the majority. There was no voting and each delegate, each member of the Sub-Committee then expressed his own opinion agreeing or disagreeing placing counter-proposals and arguments in support of the counter-proposals, which were all taken down *verbatim*. Those Reports were presented to a Committee of the whole Conference, and every Member was allowed to express his disagreement with the suggestions made in the Sub-Committee's Reports and those disagreements were noted in writing and you have them before you in the Blue Book; and therefore, to understand what the majority and the minority really suggested or what individual Members suggested, it is not in the Reports of the Sub-Committees that you will find it, but in the *verbatim* reports of the Sub-Committees and of the Conference. In the Reports of the Sub-Committees you will find that the disagreement of certain members is recorded in writing, but if you want to go further than that you must study the *verbatim* reports of the Sub-Committees and of the Conference in Committee. Sir, the Reports are not drafts of a Bill. It is essential to understand the intention underlying the suggestions made and that can only be realised by reading the speeches. It is also essential to realise and understand the underlying spirit of every paragraph of the Committee's Reports. And may I here pay a tribute to the spirit of friendliness and the spirit of co-operation exhibited by the British statesmen in England? No words of mine are required to supplement what has already been said in the Press and on the public platform, but had it not been for that spirit of co-operation, which was dominant in every one of the Labour Government, namely, to see that India got her desserts, you would not to-day have witnessed in this country a prospect of peace and prosperity.

Sir, I will now go to the safeguards. The principal safeguard that has been criticised up to now to my knowledge in this country has been the safeguard recorded, in the Federal Committee's Report and commonly known as the financial safeguards. The underlying principle of those reservations or safeguards was to ensure that the credit of India would be maintained when the change of Government took place. That was the main underlying idea. We have got to examine and see whether the wording in the Reports, and especially in the speeches of British statesmen, really justifies their contention that they had no other desire or object in view except to protect India's financial credit in the markets of the world, and especially immediately after the transfer of power from the present Government to a Government responsible to this Honourable House. I contend, Sir, that I have been convinced that that was the intention of the British statesmen who championed these paragraphs in the Report which have been so criticised. I do not contend that these safeguards were in the interests of India alone; they are also in the interests of Great Britain, for we cannot forget that the sterling loans that have been raised up to now have been raised with the moral support of the British Government in England, who may not be legally responsible but are certainly morally responsible. (Sir Hari Singh Gour: "They are legally responsible.")

[Sir Cowasji Jehangir.]

And I contend that they have a right to see that future Governments in England are in a position to discharge their moral responsibilities to those investors who may not be able to protect their own interests. Looking at it from that point of view, these safeguards are intended to be not only in the interests of this country, but also in the interests of the investors in Indian securities, investors who have been tempted to invest fully relying on the moral support of Great Britain. Sir, that principle is enunciated in the Report in these words:

"In the sphere of finance the Sub-Committee regarded as a fundamental condition of success of the new constitution that no room should be left for doubt as to the ability of India to maintain her financial stability and credit both at home and abroad."

It is contended that the safeguards as specified are only intended to carry out this intention. I am prepared to admit that that paragraph and one or two other subsequent ones are vague and wide;—I have already said they are not drafts of a Bill. That fact was pointedly brought to the attention of the Conference by several of the delegates, and especially the delegates from Bombay. You have only to peruse the Blue Book to find that many of the apprehensions felt by Honourable Members of this House and outside this House were felt by the delegates and pointedly brought to the notice of the Conference.

Mr. K. Ahmed: What did the Chairman say about it?

Sir Cowasji Jehangir: I will come to that later on. Now, Sir, let me say that the Indian members of the Federal Structure Sub-Committee—and I was not a member of that Sub-Committee and in no way responsible for this draft, although it was my privilege and duty to criticise it in the Committee of the Conference—themselves have insisted upon a paragraph in the Report which clearly states their position as follows:

"On the question of finance Indian opinion was that even the safeguards set out in the report went too far especially those giving special powers to the Governor General."

Now, Sir, Lord Reading was asked to explain the position, and I cannot do better than quote his own words. I will do so very briefly. This is what he said:

"What we are seeking is to preserve the financial credit and stability of India so that when this important change is made India shall not suffer."

Further on he says:

"Now, the whole object of that is not in the slightest degree to interfere with the discretion and the judgment of the Financial Minister. What is intended and what we have in mind—certainly what I had in mind, as a result of a considerable amount of discussion with some of the best experts in this country and in relation to Indian finance—was that it would be necessary to have some such provision when you are making a change, in order that it should not be thought here that internal loans might be raised in such a manner as to prejudice India's credit, which of course would affect her here as it would elsewhere in the world. That is the sole purpose of it. . . ."

"If you look further in the report you will see that by these limitations the Sub-Committee do not contemplate any differentiation between the position of the Finance Minister and that of any other Minister responsible to the Legislature."

Sir, he makes a distinction between internal and external loans. With regard to external loans; it was rightly contended by Sir Tej Bahadur Sapru and others that there was no difference between India and the Dominions. Even the Dominions, if they desire to raise a loan in England, have to get the sanction of the Treasury, specially if they desire that those loans should be Trustee Securities. Now, Sir, if India desires to go into the open market in England, we have to submit to a scrutiny by the Treasury. But there is nothing to prevent India from going into the open market in any other part of the world, just as any other Dominion, nor is there anything to prevent India from going to any private financier in England provided that private financier is prepared on the security offered, to give India the money. But in the case of internal loans, as I have explained, there is a desire to place some sort of restriction, and in explaining it further, Lord Reading said that what he intended was that if the Government of India was unfortunately faced with several years of deficit, and if the Indian Government desired to meet that deficit by loans at an exorbitant rate of interest, then and then only the Viceroy should be allowed to interfere and to interfere not only in the interests of India, but to interfere in the interests of those who have invested in sterling securities on the moral support and on the moral responsibility of the British Government.

Then, Sir, I will come straightaway to the Reserve Bank. There is no difference of opinion as to the advisability of the inauguration of the Reserve Bank, and the only point that was raised by my Honourable friend Mr. Chetty was whether the previous sanction of the Governor General to an amendment of the Coinage and Currency Act was to continue after the Reserve Bank was established. As I understand it, it was not intended that the Viceroy should have those powers after the inauguration of the Reserve Bank, and I will draw the attention of the House to my own remarks at the Conference. Though I raised this point before Lord Reading and asked for an explanation, I must admit that no further explanation was forthcoming because the Prime Minister said it was a detail which could be arranged in the drafting of the Bill. Sir, I would like to have gone into the question of the trading rights of the British community, but I find that I have no time.

I would just like to say one word, Sir, on the communal question which will take me two minutes.

Mr. President: The Honourable Member's time is up and I am very sorry to be obliged to discharge the unpleasant duty of restricting each speaker to 20 minutes. There are many Honourable Members who wish to take part in the debate and the time is limited. I will have therefore to enforce rigidly the 20 minutes' time limit.

Mr. Arthur Moore (Bengal: European): Sir, we last discussed this question so recently as Monday. Today is Saturday, but in the interval something has happened and we meet today in very much happier circumstances. (Hear, hear.) The Viceroy and Mr. Gandhi between them have made history. (Hear, hear.) We believe that they have opened a new chapter in the ever-broadening freedoms and glories of the British Empire. Sir, the words which we listened to from your lips two days ago were, I think, received by us all with no mere transient feelings of pleasure but with a deep and abiding satisfaction. I remember, that when His Excellency

[Mr. Arthur Moore.]

addressed us on July 10 last in Simla, he spoke in a darkened hour and yet at that black moment he had the courage to speak of the possibility of a miracle. Well, Sir, the Viceroy has wrought a miracle of faith (Cheers) and he has put the doubts and the fears of the rest of us to shame and to flight. The Round Table Conference has as yet neither succeeded nor failed, but it has produced a tremendous situation. We, in this House already, were, I believe on all sides, animated with nothing but goodwill and now we hope and believe that that goodwill is universal. I hope that as we approach the discussion of details and difficulties, we shall be able to do so as much collectively and as little communally as possible. But, I should like to endorse, on behalf of the European community, the words that Sir Hugh Cocke has already said concerning the attitude of that community. Some, no doubt, will feel that things are moving too fast. Some will feel that not sufficient account is being taken of the failure up to the present of democratic institutions in all parts of the world to deal with the world conditions which arise today. In regard to that, I would ask our Indian friends not to misunderstand our attitude. We do not say that India is unfit for self-government; we do not say that she ought for ever to have the British Government to control. We accept the situation that the tutelage of the British democracy at home is proving unequal to meet the conditions today. We accept the situation that India should move away from the control of a democratic Parliament in London. But we do say, let India have her own strong Government. Let us have self-government, but let it be a strong government in this country, so that India shall be able, within the British Commonwealth of Nations, to meet the strains and the difficulties of the coming times in a very unstable world. There are two words which I do not think are on the active list of the political vocabulary of the British in India. Those two words are boycott and non-co-operation. We are definitely out to help. Certainly we are not so pigheaded as to attempt to oppose ideas of our own to proposals which have been accepted by the representatives of all sections in India and by the representatives not only of His Majesty's Government but by His Majesty's Opposition. We hear in these proposals the passing bell of a famous service in its present form, the Indian Civil Service, which in the 19th century was Great Britain's greatest contribution to Indian administration. It is unfortunately the fashion today to decry that service. I believe that in an early tomorrow, when in its present form it will have passed away, it will receive posthumous recognition, and that those who are called upon to govern India in different circumstances in the near future will realise for themselves the integrity and devotion that that service gave to this country. Well, Sir, as I have said, we are out to help. More than that, we too can see the vision splendid, and dream the great dream, of a self-governing Federal India, an organic whole, a whole continent united in one political union in that true League of Nations which is the British Commonwealth today. That is a new ideal, not historically a new ideal, but it is a new ideal to put before the whole of the youth of this country.

There is the dream and there is the business. I believe that the first business is to provide a strong Government for that Federation, to ensure that the men of single mind and purpose, who may be called upon to guide India's destinies, shall not be at the mercy of the political combinations and intrigues of those who have a less single mind and purpose.

With regard to the safeguards, I welcome the view regarding them that was put forward by Sir Cowasji Jehangir. It is the same view as was put forward by Sir Tej Bahadur Sapru in London; it is the view which was recorded in the statement of settlement which you, Sir, read out the other day. The purpose and end of those safeguards is to safeguard the Dominion of India; that is to say, they are in the interests of India itself. It is in that light that we shall discuss those safeguards; and we wish to emphasise, as Sir Hugh Cocke emphasised, that all we ask is that British citizens in this country,—we to whom already you have accorded the right to vote and the right to take part in your politics, to sit in your Legislatures, and to whom you have always extended a welcome which we appreciate,—that we should not be treated in a penal way, or should be deprived in matters of commerce, of any of the equal rights and privileges which every Indian receives the moment he sets foot on the shores of Great Britain. That is substantially all that we ask for.

In conclusion I would like to hope that the outcome of this debate may be, now that we are assured of the great help of Mr. Gandhi and of his fellow-workers in the solution of all these tasks, to carry on the work from the point to which it has been brought by the very remarkable and distinguished labours of those who went to London,—that the outcome may be that for non-co-operation, which to us represents the frustration of the human spirit, we may now have definitely substituted an ideal of co-operation. Thus can we work together to harness the political enthusiasm of the young men of the country for what Mr. Gandhi himself and Mr. C. R. Das have both categorically stated at different times to be the higher and the finer ideal, that is to say, a great political union within the British Empire. (Applause.)

Sir Hari Singh Gour (Central Provinces Hindi Divisions: Non-Muhammadan): Sir, I have no doubt that Honourable Members on this side of the House will appreciate the tone and the temper which underlies the utterance of the Honourable the Deputy Leader of the European Group. He has struck a sympathetic note, to which not only we on this side of the House but all India will respond. We have always felt, and we feel all the more today, that with the support of the European community in India, the future of India is assured, and with the assurance given by Sir Hugh Cocke and Mr. Moore, we feel certain that so far as India is concerned the struggle is not a struggle of Indians but a struggle of Indians and Europeans resident in India. Sir, the European community may be assured that the Indian people will stand by them when they get self-government, as they have stood by them when they had self-government. The people of India are hospitable and the people of India have always been hospitable. You may be sure, Sir, that whatever misgivings may be lurking in their minds, when India comes to her own, the European community in India will have no cause or occasion for grievance against self-governing India.

Sir, this is one of those occasions when you cannot enter into the details of the constitutional scheme propounded by the Round Table Conference, and as Sir Cowasji Jehangir has pointed out, it is impossible to understand the Blue Books without the contents thereof being explained by those who were present at the Round Table Conference. But, Sir, that may be the shortcoming of those who had not the privilege of attending the Round Table Conference. There are certain facts which this House must take note of. The Prime Minister in England,

12 Noon.

[Sir Hari Singh Gour.]

in his concluding speech, stated what was the view of His Majesty's Government on the future policy regarding India. They said: "The view of His Majesty's Government is the responsibility for the Government of India should be placed upon Legislatures, Central and Provincial". Honourable Members must remember what these words mean, because the federation in India is to be the federation of self-governing provinces with the Indian States; the responsibility for the Government of India cannot be placed upon the people of India, but upon their Legislatures. That is to say, that in any federation that might be accomplished, the responsibility will be the responsibility to the Legislatures and not to the people at large. The second point that Honourable Members must remember is that this responsibility is subject not to safeguards only but to statutory safeguards; that is to say, safeguards will be entered in the statute, but their limits will be defined and their scope limited to the purpose mentioned in clause 2 of His Majesty's declaration. Then, Sir, these are the two fundamental declarations of His Majesty's Government. That is to say, the first is that the responsibility is to be transferred to the Legislatures and the second thing is that the responsibility will be subject to statutory safeguards.

Passing on to the next paragraph, His Majesty's Government point out that the future Central Legislature shall be established upon a federal basis, and there it is pointed out that the precise form and structure of the new Federal Government must be determined after further discussion with the Princes and representatives of British India, and it is upon this point that this House can usefully contribute to the discussion as to the future constitution of the Federal Government of India. Sir, Honourable Members who have spoken on this subject have, one or two of them, expressed a doubt and asked, if there is to be a federation of British India with the Indian Princes, who are autocratic within their own States, how is this federation to work? I can only remind the Honourable Members of the speech made at the Round Table Conference where it is stated in the Federal Structural Sub-Committee's Report, page 198, that:

"The Indian States do not desire either to discuss or vote upon questions which concern British India alone and are of opinion that this question should be definitely excluded. Nor do the Indian States contemplate that any question of paramountcy will come at any time within the purview of the Federal Government."

Now, so far as the intervention of the Indian States in the administration of British India is concerned, this statement is perfectly clear. The Indian States demand that their representatives in the Federal Assembly will take part only in matters which are classed as federal, and that in matters which are of British Indian interest, the federal Members of the Indian States, whether nominated or elected, will not take any part. That ensures a certain degree of autonomy and independence to British India, and that, I think, allays one of the lurking fears in the minds of some Honourable Members on this side of the House who objected to the federal structure of the future constitution of India. Sir, federation was thought of not only by the Round Table Conference, but in the Montagu Report there are two pregnant paragraphs dealing with the future federal constitution of India, and if Honourable Members will

remember the words uttered at the Imperial Conference of 1917, they will find the following statement of policy regarding the future constitution of India.* There it was stated:

"That any re-adjustment of constitutional relations while thoroughly preserving all existing powers of self-Government and its complete control of domestic affairs should be based upon a full recognition of the Dominions as autonomous nations of an Imperial Commonwealth, and of India as an important portion of the same in British India; should recognise the right of the Dominions and India to an adequate voice in foreign policy and in foreign relations; and should provide effective arrangements for continuous consultation in all important matters of common Imperial concern and for such necessary concerted action founded on consultation as several Governments may determine."

Sir, I regard this as the *Magna Charta* of India. In 1917, the Imperial Conference, after cancelling the Resolution of the Imperial Conference of 1907, pointed out that India must be brought into the family of the self-governing nations of the British Commonwealth, and that India as an important part of the British Commonwealth must be consulted upon all important matters of Imperial concern. Sir, it is following on this declaration of policy relating to India that India was invited to be a signatory to the Peace Conference in 1919, and in 1920 when the League of Nations was established, India became a Foundation Member of the League of Nations, and it must be remembered that the membership of the League of Nations under the covenant of the League was only open to self-governing countries, and India was thus placed on the same footing as the other self-governing countries. Honourable Members are aware that in later years India was invited to the Naval Conference; she became a party to the Kellogg Pact, and has been empowered to appoint her own Trade Commissioners, and only I think the other day the Government of India entered into a commercial treaty with Turkey. So that the international status of India was established independently of the statutory constitution which India possessed under the Act of 1919. Sir, it is this new status which India acquired in the comity of nations that has been recognised and legalised by the deliberations of the Round Table Conference. British India cannot stand alone. British India with Indian India must now conjointly go ahead if there is to be a future constitutional development of this country. I therefore submit that, so far as the federal constitution of India is concerned, there cannot be two opinions.

We now pass on to the safeguards. Sir, Honourable Members on this side of the House have expressed misgivings as to the meaning of safeguards affecting the financial autonomy of India, and as Sir Cowasji Jehangir has pointed out, the language of the Sub-Committee on the subject is somewhat vague, and I am glad that vagueness is repeated in the concluding statement of the Prime Minister printed at page 81. It is stated there:

"The Report of the Federal Structure Committee indicates some ways of dealing with this subject, including a Reserve Bank, the service of loans and Exchange policy, which, in the view of His Majesty's Government, will have to be provided for somehow in the new constitution. It is of vital interest to all parties in India to accept these provisions, to maintain financial confidence. Subject to these provisions the Indian Government would have full financial responsibility for the methods of raising revenue and for the control of expenditure on non-reserved services.

This will mean that under existing conditions the Central Legislature and Executive will have some features of dualism which will have to be fitted into the constitutional structure."

[Sir Hari Singh Gour.]

What the Honourable Sir Cowasji Jehangir says is intended by the financial safeguards is this: that so long as the Reserve Bank is not established in India, there would be transitory safeguards; but as soon as the Reserve Bank has been established, these transitory safeguards will be withdrawn. If that is the meaning—and I understand that that is the meaning of financial safeguards—we have no objection to them at all, because no one is more jealous of the credit of India than the people of India themselves; and I therefore submit that the safeguards on the financial side proposed at the Round Table Conference should receive the concurrence of this House.

Sir, there are various other questions which have been raised in the Round Table Conference and which will be the subject of discussion at the future session of the Round Table Conference. I am speaking here on behalf of the non-official Members of this House, and I think I shall be justified in conveying to the Honourable occupants of the Treasury Benches that there is a feeling on this side of the House which I am asked to voice, that in any future consultations, that may take place, the representatives of this House must not be ignored. (Applause.)

The details of the various recommendations of the Round Table Conference are still open to discussion and debate in this House, and outside, and I do not think that we shall be justified placing our views before the Government at this stage, because the Round Table Conference will meet here and in England and then it will be time for the representatives of this House to express their views on the various topics left undecided at the Round Table Conference.

Sir, I feel and most of my friends on this side of the House feel strongly that we are under a debt of everlasting gratitude to His Excellency Lord Irwin and Mahatma Gandhi (Cheers) for having brought about this great settlement, without which the future constitution of this country could not have been settled with the concurrence of the people of India. When we turn to the proceedings of the Round Table Conference itself, we cannot forget the yeoman service done by Sir Tej Bahadur Sapru (Cheers) and Mr. Jayakar and Mian Sir Muhammad Shafi, the Rt. Hon. Srinivasa Sastri and his numerous colleagues who have contributed to the success of this great Conference. All that we can now hope is that the future work of this Conference will be conducted with the same amity and goodwill which has characterised the first Conference in London.

Mr. Muhammad Yamin Khan (Agra Division: Muhammadan Rural): Sir, instead of wasting my time on complimentary phrases to the people who went to the Round Table Conference, I wish at once to proceed to analyse what has been achieved in the Round Table Conference. I welcome the announcement of the Premier that responsibility is to be given to India in the centre and in the provinces. I now wish to analyse the Report of the Federal Structure Sub-Committee. I welcome the fact that the Princes have come and joined hands with the other delegates from British India for the progress of India; but the scheme which has been evolved and the demands which have been put forward by the Princes as regards the part which they want to take in the future constitution does not appeal to me at all. I cannot agree, and I think no right-minded

man who goes deeply into the matter will agree, with the scheme which has been put forward by the Federal Structure Sub-Committee at all. What is it that they want? They want to have 50 per cent. of the seats in the Upper House and 33 per cent. of seats in the Lower House for the Princes. Who will be the persons coming from the States will be decided by the Princes themselves. The people from British India will go there by election according to the present system, while the people from the Indian States will be the nominees of the Princes. Let us see what more they want. They want a share in the Executive; and what will be the Executive? The Executive will not be removable unless by a vote of a two-thirds majority of both the Houses combined. This means that in the Upper House of 150, the Princes will have 75 seats; in the Federal Assembly they will have 33 per cent. or 84 out of 250 seats, or altogether more than 160 seats in both Houses; and no Minister can be removed unless he can be removed by a majority of two-third votes of both Houses combined. Now, the Minister who will be appointed will be a Minister who will enjoy the confidence of both Houses and not of any one particular House. This means that the Princes alone will have a voice in the future administration of India and not the British Indian citizens. Therefore what we are going to have is the substitution of the British bureaucracy by an autocracy of the worst kind in India which is prevailing. That is the scheme which we are going to have before us today and I am surprised that several Honourable Members have got up one after another to praise this constitution which has come like a boon to them

Diwan Bahadur A. Ramaswami Mudaliar (Madras City: Non-Muhammadan Urban): If my Honourable friend will permit me to interrupt him for a moment

Mr. Muhammad Yamin Khan: I am not ready to give way. I do not want my time to be wasted. What else do we get under this scheme that the Princes want? They say that we should have nothing to do with their States but that they will have everything to do with our country

Sir Hari Singh Gour: No; they do not say that.

Mr. Muhammad Yamin Khan: My Honourable and learned friend, Sir Hari Singh Gour, ought to have read better before interrupting me. If he had carefully gone through page 25, paragraph 36 of the Report, he would know what is the position of the State's representatives in relation to matters affecting British India alone. I do not want to waste the time of the House by repeating what is stated there in the book.

I want to know what will be the position of those who will come from the Indian States. Even if they come by election, as long as there is no democratic constitution in the States, they will only be the nominees, practically the nominees of the ruling Princes. Nobody can dare oppose the person who is put up by the Princes in any State as long as the autocratic power remains in their hands. Now, I cannot see how the people who will go from the Indian States to the Indian Legislature will not be a drag on British India. The Princes will try to use their influence and the power which they wield in the shape of money, in the

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shape of gifts and in the shape of jobs at their disposal, and surely, you do not want to go back on the progress which British India has made already. British India has made quite enough progress and she can look after her own interests without the Indian States being dragged into her affairs. The Indian States will be quite welcome to our assemblies when their subjects have been enfranchised and the Princes accept the position of a constitutional Governor; only then, and not till then, can we have them in our midst.

Let me say that I would rather have no responsibility at the centre than have a responsibility on this condition, and be ruled by the Indian Princes in this House and in the Government of India. It may be that my Honourable friends have not carefully read the scheme, and as such they welcome it. I can quite see the enthusiasm of Sir Cowasji Jehangir, who is anxious to advocate his cause because he was a party to this scheme, but we have to examine, and carefully examine what they have done. It is not for them to speak, to advocate their own cause, but it is we who have to judge what they have achieved there.

Another point that I wish to stress is that I have thoroughly examined the scheme and I am not in any way convinced that this is a step for the improvement or progress of India. Leaving this subject aside, there is another matter where I feel that a great deal of injustice has been done to the consistent demand of the Assembly, and I wonder how any Honourable Member, who has once voted that full reforms be given to the North-West Frontier Province, can welcome the reforms which are recommended for that province today and to which they have agreed in England. With the unanimous voice of the elected Members of this House, it was recommended that the North-West Frontier Province should get the same reforms as the other provinces in India, but I am sorry to say that some Members in their enthusiasm and zeal over the words "responsibility at the centre" have completely ignored all other factors. They seem to be enchanted by this scheme, as they were by the eight units scheme which was hurled at them in 1923, and I say that they will repent later that they ever accepted the proposed reforms. Sir, the North-West Frontier Province is the only province that deserves absolute freedom. The people there are united, there is no communal or racial discrimination there, and they are the people who deserve the greatest consideration. Yet, they are to be put back, and the reforms which are to be given to them are a little better than those which were devised under the Morley-Minto constitution. And still, some of my Honourable friends want me to join with them in praising the delegates who have agreed to that meagre measure of reform. However eminent the delegates to the Round Table Conference were, I cannot be a party to praising them for having agreed to this kind of thing.

Then, what have they done about the Army? It is said that these two subjects, namely, foreign relations and the Army, are reserved. Let it be so, but still, there might have been an advance in the shape of Indianisation in the Indian Army and keeping control of it in our own hands, which the delegates have failed to do. Sir, the Conference cannot have my support or any word of praise from me in that behalf. I would have liked them to realise that we should not be at the mercy of a policy which would be enunciated from a distance of 8,000 miles from this country.

Some of those who went to England deserve real praise for their effort to try and bring the one vexed question of minorities to a successful conclusion. But there were certain others who did not see their way to have this matter settled in the cool atmosphere of London, and they have left it over to be decided here. I should have rather liked that these members had not left it to be decided here and thus evoked the comments of people who cannot see outside their own caste and creed. If this matter had been settled, that would have settled many other things too, but I find that has been left as a legacy to the people here, whereas that is a question which ought to have been decided in the cool atmosphere of England. I cannot congratulate those people who were a drawback in the settlement of this question, and I think there is a great deal to be achieved before we can think of congratulating anybody, or having any kind of democratic Government for India. We do not know how the future will materialise. I see germs which may develop and break this thing for which so many laurels are given by my Honourable friends.

Nawab Naharsingji Ishwarsingji (Bombay Northern Divisions: Muhammadan Rural): Sir, at the very outset I take this opportunity to express my deep sense of gratitude on behalf of the constituency I have the honour to represent and myself, towards the British as well as the Indian and Provincial Governments for endeavouring to bring India to its proper level, materially, politically and socially. In my opinion it is but just that Honourable Members of different schools of thought should combine with open hearts to make the best use of the opportunity to bring about an honourable and amicable settlement in accordance with the noble announcement made by the Prime Minister of His Majesty's Government, with such modifications as the circumstances of the country need.

In my opinion the announcement of the Premier is very sincere and the discussion that took place at the Round Table Conference was real and genuine, and I must say that Honourable Members who took part in the Round Table Conference deserve credit and sincere compliments.

It will be seen, Sir, that nearly nine Sub-Committees were appointed to deal with the questions of Federal Structure, Burma, North-West Frontier, Franchise, Defence, Services and Sind. And before I speak on this subject I would like to make few observations pertaining to general masses and agriculturists.

India is not a small country, but India is a big continent with numbers of religions, and sentiments. Over and above this, there are numbers of castes and creeds. Thus it is a most difficult task to get all into one focus. Not only that, but India is an agricultural country and nearly 70 per cent. of the whole population is agriculturist. Thus it is quite clear that one has to work very carefully and to face numerous mentalities with varieties of opposition. The conditions in the rural areas are not such that the people can properly realize what the real meaning of the reforms is, nor can they take an interest in them without burdening themselves with responsibilities, or until the power of appreciation has been created among the agriculturists. Whatever reform is introduced it will surely be viewed with suspicions and doubts, and the causes of misunderstanding will remain as usual, and ultimately the progress and advancement of the country will be very slow. It seems to me that, whatever new structure is made hereafter, there is nothing for this class

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of people to aspire to. After all, whatever new structure is framed, powers vested in the new structure will be exercised over them, and it is but just that the sense of appreciation and the sense of understanding the administration should be created among them. Most of us are elected in this House by the agriculturists; we have to live among agriculturists; we have to take money from agriculturists, and the State has to rule over the agriculturists; and it is proper that some solution should be found. The question now arises, what should be the solution? And my reply would be this—that along with other questions, the question of establishing of a Rural Council should be again thought out, whereby a new field may be opened for this class of people, where they can exercise their activities and put forth their grievances through that Council and discuss the questions affecting them in their own language, in their own way and in their own manner. If this could be achieved, they will think that they are not neglected. They will think that they have got something to aspire to and that they have to discharge certain duties and responsibilities. The ultimate result of this would be that the power of understanding the administration would be created, which would be of very great value to the general progress and advancement of the country.

Now, coming to the main subjects discussed at the Round Table Conference, I will make a few observations. The question of the federal structure is the most important one, but at the same time it is complicated too. The Ruling Princes deserve compliments from all of us for having accepted the idea of federal government. Whether the combination will turn out successful or not is a subject of doubt, but this is a subject which can very well be dealt with by the Princes themselves. On the question of separation of Burma I would say that if Burmans are prepared to shoulder the burden, I do not see much objection in granting them their request. If they want to be separated from us, they can well do so, or if they want to remain with us they are welcome to remain with us.

On the question of the separation of Sind, I say that it should be separated as the people of Sind desire so. But here the question of readjustment should arise, because the importance of Bombay Presidency will be reduced. It is known to everybody that the Ruling Princes of Kathiawar are shifted from the Bombay Presidency and placed under the control of the Indian Government, and Sind also is to be separated. Thus the Bombay Presidency will be very small, and so the question of readjustment will naturally arise, which should be considered very carefully when the question of new reform is considered.

Now turning to the question of the Frontier Province I am in agreement with the opinion expressed in this House, with such modifications as the circumstances of the country call for, and I would further say that whatever discontent prevails in that part of the country should be remedied.

Now coming to the question of franchise, in my opinion, the principles laid down are open to criticism, because the main principle is on a population basis. I think so long as the class possessing different interests and the class which has got a real stake in the country are not able to get a sufficient number of seats in accordance with the vested interests they have got in the country, strong discontent will have to be faced, and

therefore, I urge that, before any final conclusion is arrived at, this question should be thoroughly investigated. And side by side the question of establishing a second Chamber in Provincial Councils should properly be thought out, and I feel sure that all the complicated questions will be solved mainly if not wholly.

I am much pained to see that the question of the Muslims of India has not been properly solved, and I am afraid that until and unless Hindu-Muslim unity is achieved, there will be a deadlock in the progress which is to be made hereafter. Muslims are born Muslims; they are Muslims, they will remain Muslims and they will die Muslims. Neither can the Hindus drive out the Muslims out of the country, nor can the Muslims drive out the Hindus from India. Both have to live in India and have to die in India, and I see no reason why both should not meet with open hearts and shake hands to bring about an amicable and honourable settlement. I cannot share in the theory that there should be a mixed electorate with reserved seats, because Muslims are not a small community, but Muslims are a nation. Muslims have got equal rights with Hindus, and until the feeling of brotherhood is created, no new structure can be built in India. Muslims should have the privilege of having a separate electorate on the principle of self-determination, and their seats should be proportionately maintained, and not only that, but the interests of Muslims should be safeguarded in all directions. I mean the interests of the Muslim community should be guaranteed, socially, politically and materially.

Let me remind you of our old days of happiness and harmony and peace prevailing between Hindus and Muslims. We both used to take part in marriages and on sad occasions with equal feelings, and we used to carry out the worldly affairs with mutual help and goodwill. But somehow or other the same feelings are not in existence today, which is a matter of great regret. We both should unite and find out the causes, and when causes are removed I feel sure we shall be the same again that we used to be before, and under these circumstances I very strongly appeal first to Muslims and then to my Hindu brothers to come forward with open hearts and place their cards on the table and the result will be nothing but peace and peace alone.

The question of other minorities will have to be considered very carefully and sympathetically, and care should be taken that sufficient safeguards are maintained in the new constitution. Minorities should feel with confidence that their rights in the country are guaranteed.

There is another point which is not of less importance. There is a class in the country generally known and called Landholders, Talukdars, Inamdars, Jagirdars, Zamindars, and their holdings on more than one occasion have been guaranteed by Government. Their holdings are on different tenures, and in no circumstances should the tenure be affected. Care should be taken, when the question of constructing the constitution is considered, that their vested rights in the country and in lands are properly safeguarded politically and materially. Moreover their representation in all the Chambers or, say, Houses should be maintained in accordance with their importance. Their number of seats in each House should be allotted so that their voice may be of some importance.

Sir, when I refer to the small book of the Round Table Conference, what I find is that not a single delegate from Bombay Presidency was

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chosen by the Bombay Government or by the Indian Government from this class who could represent their interest, although almost all other provinces had thought it desirable to select delegates from this class. I should say it was most unfortunate. This class is scattered over all the presidency, and from the beginning of the British advent till now they have played their part most loyally, both in the interests of the public and Government, and I feel confident that, even now they will not fail to discharge their duty if they are placed rightly in the new constitution, with adequate seats in their possession. It appears from this small book, page 43, that there is an idea and suggestion about forming a second Chamber.

The question about establishing a second Chamber is most worthy of consideration. This class in the Bombay Presidency is an important class, and if Sind is excluded, we have to remember that nearly hundred lakhs of rupees are paid by this class to Government, which is nearly one-fifth of the total land revenue of the Bombay Presidency, and I think that the Bombay Government would be well advised, in consultation with the Indian Government, and the class particularly interested, to consider this problem most carefully and sympathetically. This is not the place, nor is this the time where the detailed grievances, and negligences on the part of the Government can be explained, as detailed matters can very well be dealt with when we are actually sitting to form the new constitution, and I leave this matter, merely saying that the question may be fully considered along with the whole scheme when it is considered.

To support the case of this class, I will only refer to para. 147 of the Report (1918) on Indian Constitutional Reforms, page 94, and page 4. para. 5 of the Government of India's Despatch on Proposals for Constitutional Reforms (1930).

Before I conclude my speech, I would like to say a few words in connection with the safeguards and the powers proposed for His Excellency the Viceroy and the Governors of the Provinces. I do admit without hesitation that the reservations and safeguards regarding Army, finance and foreign relations are absolutely essential and that emergency powers to ensure peace and tranquillity in the country, to guarantee the vested rights of the landed aristocracy and other minorities and to stop drastic measures of legislation, ought to vest in His Excellency the Viceroy and Governors of the provinces.

It is the common law of nature that no responsibility could be placed without powers. If His Excellency the Viceroy and Governors of the provinces are made responsible to carry out the administration with efficiency, powers and safeguards are indispensable.

If a careful survey is made of the Reports of the Round Table Conference, there is a clear indication that the Government at Home, the English delegates and the delegates who had gone to the Round Table Conference from India have played their parts most soberly and with sincerity in the best way they could, and they deserve credit and compliments from all of us. Indian delegates have been treated on equal terms and with affection and feelings of brotherhood, and I once more thank them all most heartily, and I do hope that when the delegates from London arrive in India India will not fail to maintain the Indian tradition of hospitality.

Lastly, I should say most emphatically that until and unless there is confidence and trust between the rulers and the ruled, no settlement can be achieved. I therefore hope that the persons who desire the welfare of the country, and desire to see India progressing and advancing materially, politically and socially, should come forward, leaving aside all petty and minor differences, to shake hands with open hearts, and I do feel sure that India will be elevated to its proper level within the Empire. (Applause.)

It is a matter of great satisfaction that His Excellency the Viceroy, Lord Irwin, has been able to achieve a settlement with the Congress people through Mahatma Gandhi, and I feel sure that all the sober-minded people will appreciate the noble work done both by Lord Irwin and Mahatma Gandhi in the interests of the country, which will surely facilitate the carrying out of the work of the Round Table Conference, and I take this opportunity to thank both His Excellency the Viceroy and Mahatma Gandhi for their noble efforts, which are purely in the interests of the country.

Let us now forget the past. Let us mind the present and think of the future. (Applause.)

U. Tun Aung (Burma: Non-European): Sir, after you have heard all about India, a voice from Burma may give you a change. Burma, Sir, is a country which is cut off from India by natural barriers, and as such, people in India have little or no notions whatsoever about Burma. Only the other day, when I moved a motion for adjournment, the Honourable the Leader of the House stated that Burma was far away, and the real conditions, the real state of affairs were not known to this House. Such, Sir, is the fate of Burma. But lately Burma has forged ahead and has received the attention of the Honourable Members of this House, as well as of the public in India, by virtue of the question of separation. There seems to be a great deal of mystery, Sir, about this question of separation. I am not here to say why or why not Burma should be separated, nor to discuss the merits or demerits of separation, but I do say that separation is and will be the necessary consequence of the aspirations of the Burmese people. Their aspiration is, Sir, not separation first. They want a political status, a constitution, which will be of the same nature as that which will be accorded to India. In Burma there are, no doubt, different sections of political thought, but if you examine all these, you will find that separation becomes a necessary consequence of the realization of their aims and objects. Now what has been done at the Round Table Conference with regard to Burma? If you refer to the Resolution that was passed, you will find that, while the principle of separation has been accepted, it is laid down that the prospects of constitutional advance towards responsible government held out to Burma as part of British India will not be prejudiced by the separation. Now here my view is, Sir, that the cart has been placed before the horse. The Burmans in Burma are claiming a degree of political advance as much as India is going to get: and in realizing that advance, we say that separation will be a necessary and natural consequence. But instead, this question of separation has been made capital of and that principle has been accepted. I am sure, Sir, that this principle of separation as a condition precedent will not be acceptable to Burmans in Burma. It is needless for me to remind the

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House that when the pledge by the British Parliament was given to India, that the progressive realization of self-government would be the objective of the British policy, Burma formed, as she still does part of the British India, and that pledge was as well meant for, and equally applicable to Burma. But Burma is not India, just as much as Ireland is not England. Burma is different from India in more than one way. There is no tie in common with regard to race and religion, creed and custom; there is no common feature, in that Burma does not have communal feuds between Mussalmans and Hindus; Burma does not have the caste system; the literacy of the Burmans in Burma is very much higher than that of Indians in India. We have it even from the lips of a high official who has had experience both in India and Burma—I refer to Sir Reginald Craddock, who has been described as one of the greatest diehards—he even has declared that Burma is different from India and is fully fitted for democratic institutions. I shall just refer to the note which he wrote which was referred to at the Round Table Conference by the Burmese leader:

“There are features in the social system of Burma which mark it out as *prima facie* a more promising soil for the introduction of electoral institutions than can be found in India. The widely diffused primary education already mentioned, the emancipated condition of women, the freedom from violent religious antipathies, the great tolerance of the Buddhist religion, the absence of a landed aristocracy, of caste distinctions, and of hereditary occupations—all these are factors which tell strongly in favour of the ultimate success of democratic institutions.”

Sir, as I have said, the conditions in Burma are quite different from those of India, but unfortunately the question of Burma has been shelved merely on the hint of the principle of separation being accepted. I submit that this is not the proper disposal of this momentous question. I do repeat that Burma wants separation, and I wish it to be distinctly understood that Burma wants not merely the separation, but a separation with the proper status, status being the condition precedent. That status should be in no way inferior to that given to India. Unfortunately, that point was not made so clear in the Round Table Conference, at least so far as the proceedings show. We have read in the Government of India's Despatch, on page 86, the following:

“When the announcement of August 1917 was made, Burma was, as it now is, a part of British India. The progressive realization of responsible government was promised to Burma equally with the rest of India. It is important that the pledge then given should be re-affirmed to a separated Burma. In some quarters doubts have been cast on the motives alleged to underlie official support to the policy of separation.”

Quite rightly, doubts have been expressed because instead of going on with the question of what status Burma should get, the Government of Burma, supported by the Government of India, have been dealing with the question of separation only. And naturally doubts, arise as to what sort of constitution Burma will get after the separation has been granted. I should remind the House that everywhere both in India as well as in England the gospel of frankness, sincerity and good faith has been preached and it is time, that mistrust should be replaced by trust, suspicion should be replaced by confidence, and as such the underlying motives in the minds of the Government officials both in India and in Burma with

regard to separation should now be made clear. There should be a declaration made that Burma will get a status which will be in no way inferior to that of Indian and that separation will follow as a natural consequence. It has been said in the Round Table Conference that separation was asked for purely as a matter of self-preservation. Sir, Burmans in Burma have got the same aspirations as Indians in India have. They feel that if the pledge given in 1917 and reiterated in 1919 is to be given effect to, they have proved themselves to be worthy of the trust during the years that have elapsed, namely between 1917 and 1931, in so far as the management of their own affairs is concerned. The Burmans feel that they would be in a position to tackle their own affairs as efficiently, if not better, than the Indians in India will be able to do. Now, Sir, nothing has been done in the direction of declaring what status Burma is to get. We are being asked to leave India's anchorage but we know nothing about the destination for which we are bound. Nothing has been done to show that Burma is going to get the status called Dominion Status. India has her representation in the League of Nations; Burma has none. So far as I understand, that is the first indication of the status that a country is going to have. If a country gets admitted to the League of Nations, then the fact that that country is going to get Dominion Status is well-defined and settled. But so far as Burma is concerned, not a word has been said about the representation of Burma being allowed on the League of Nations. Where is the indication and where is the sign, that Burma will be assigned a status which will be equal to that of India? How can it be said then that Burma's political advance has not been prejudiced by separation? Only the other day Colonel Kenworthy asked in the House of Commons a question regarding the status that Burma was to get. The Secretary of State simply replied that that question had been disposed of in the Round Table Conference. I submit that the way in which this matter has been disposed of has no meaning in it. There is no meaning in the Resolution that has been drawn up. It is extremely vague. Who is going to judge whether the status that is going to be conferred on Burma has in any way been prejudiced by separation or not? Who is going to decide that the constitution that is to be given to Burma will not be prejudicial to Burmans after their separation from India? We shall be left entirely helpless. We shall then be not in a position to say anything except to receive what shall be given to us when once we are cut off from India. So I wish it to be definitely understood that the separation depends entirely on the fulfilment of the first condition, namely, the status, which should be clearly defined and declared before separation is made. Only after that has been declared, the question of separation will crop up. My last word is that we ask for a political constitution on the lines of Dominion Status in the hope that we shall be able to manage our own affairs. We ask for a mare to ride and not a mare to carry.

Bhai Parmanand Devta Sarup (Ambala Division: Non-Muhammadian): Sir, no sooner we begin to talk of the Round Table Conference, our attention is at once arrested by the personality of Mahatma Gandhi. Mahatma Gandhi is so deeply associated with the idea of this Conference that we cannot easily ignore him while discussing this subject. We are all aware that the suggestion of a Round Table Conference was thrown out just when Mahatma Gandhi's first non-co-operation movement had reached its culminating point.

[Bhai Parmanand Devta Sarup.]

(At this stage Mr. President vacated the Chair, which was taken by Diwan Bahadur T. Rangachariar.)

The attitude of the Government was so stubborn that they rejected the idea and it did not assume any practical shape. Ten years have passed away since then, when there grew up an agitation about the boycott of the Simon Commission. After this agitation the direction of affairs came into the hands of Mahatma Gandhi and he again set up that very movement. Then, Sir, the suggestion came for the opening of negotiations and this time we find that Mahatma Gandhi and his party adopted a different attitude. They met the Viceroy and there at that meeting they wanted an assurance which could not be given under any constitutional rules. This stiffness on the part of Mahatma Gandhi and his party led to the movement called the civil disobedience movement. We all know a large number of people have been put into the jails on that account. We have also known the sufferings of the people under the *lathi* charges of the police. All these things have happened since then. But the Government having committed themselves by an announcement had to hold the Round Table Conference. Mahatma Gandhi had rejected the idea simply because the assurance could not be given to him and his party. The Round Table Conference was, however, held and we know and nobody can now entertain any doubts that this Conference has met with the greatest possible success. There was one flaw in that Conference and it was that the party for the sake of whose co-operation this Conference was called did not take any part in it. This flaw has now been removed by the peace negotiations that have been held during the last few days between His Excellency the Viceroy and Mahatma Gandhi and these talks coupled with the famous declaration of the Premier, would remain as a landmark in the constitutional history of this country.

I will just say a few words with regard to the movement of Mahatma Gandhi. We are all aware of the amount of spirituality that Mahatma Gandhi is possessed of. He came to India from South Africa with a novel idea in his mind. He wanted to introduce his principle of passive resistance into the field of political warfare. He tried this experiment during the first non-co-operation campaign. It worked for some time but the hands of Government were strong, Mahatma Gandhi was arrested and the movement was put down. Soon after his arrest, those friends of his who had joined hands with Mahatma Gandhi left him. They started a different propaganda and Mahatma Gandhi had practically to retire into private life. It was the boycott of the Simon Commission that revived his enthusiasm and he came into the field. After this, it was a piece of good luck for Mahatma Gandhi that he has lived long enough to make his novel experiment again after these ten years while his friends who had joined him during the first campaign had all passed away one by one.

Mr. K. Ahmed: This is past history of the Round Table Conference. We want present history of the papers laid on the table.

An Honourable Member: He is making his maiden speech. He should not be interrupted.

Bhai Parmanand Devta Sarup: There was also another piece of good luck for Mahatma Gandhi, namely, that at this period there were at the helm of British affairs, men of an entirely different type. Had there not

been men like Mr. Ramsay MacDonald and men of the type of Lord Sankey at the helm of British affairs, and had there not been a noble, sincere and earnest man of the type of our Viceroy, Lord Irwin, even the amount of success that this movement has met, could not have been possible. Thus, Sir, this thing has been brought about, and as I said, it was a lucky chance for Mahatma Gandhi to have lived and seen his campaign brought to such a fruitful end. Now, the time has come for all of us to be happy over this and to work for the success of the plans that have been settled.

As regards the achievements of the Round Table Conference, they have been enumerated by many of the Honourable Members here. The greatest achievement of course is the form of constitutional structure that has been settled at the Round Table Conference. No doubt as my Honourable friend over there suggested according to the new scheme, the Princes would take a leading part and we would be under the thralldom of the Princes instead of the foreign bureaucracy. But I think, Sir, the autocracy of the Princes and the democracy of British India cannot go on at the same time. Surely British India would influence the people living in the Native States and very soon the time would come when the people in the Native States would have the same rights and the same privileges that we are enjoying in this country. (Hear, hear.) It is just this federal form of constitution that is the best that can possibly be devised for a country of the type of India. Otherwise the Native States would always be a source of trouble and almost an impossible task to be handled. It is possible that this idea may have existed in the minds of many for a long time, still a very great credit is due to the British statesmen who have fixed this plan and this form of structure for the constitutional development of this country.

Then, Sir, the other great achievement of course is the responsible government. There are reservations and there are safeguards, but in spite of these safeguards and reservations, I think the fundamental principle has been finally decided by the declaration of the Premier and by that declaration the centre of gravity has been shifted practically from Downing Street to this Honourable House, over the deliberations of which you are just presiding. I think, Sir, this principle having been decided, a new era opens up before us and now we have only to do the constructive work that lies before us in order to achieve our real goal.

Leaving these two great achievements, I think I have to mention one thing, and that is that which this Round Table Conference has failed to accomplish. This is again a delicate affair and I know I am going to touch on a delicate question. It is a strange irony of fate that I would be dubbed as a communalist, although I would be speaking against communalism. Some of my Honourable friends have stated that the North West Frontier Province has not been given the same kind of government as has been promised to other provinces.

(At this stage Mr. President resumed the Chair.)

Then, again, Sir, it has been stated that the Indianisation of the Army has not been quite completed by the Round Table Conference. I would urge, Sir, that if we take all these things in a communal spirit, there is a great danger lying in that very spirit as it is antagonistic to the growth of true nationalism in this country. (Hear, hear.)

[Bhai Parmanand Devta Sarup.]

The Round Table Conference failed to achieve this part of its work and the reason is not far to seek. It was due to Mr. Jinnah, who stuck to his 14 points like the old Jew to his pound of flesh. The Nehru Committee had failed to satisfy the communal demands. The Central Indian Committee also failed in the matter and it was not expected that the Round Table Conference could so easily succeed. Even here we find there is the Council of the Muslim League sitting and giving us threats of a future civil war if these 14 points are not conceded. Not only that. In this Assembly I find an inkling of the same communal spirit. The question can be divided into two distinct phases. One is, what is the object of these 14 points? If India is to be redistributed into new provinces, and if these provinces are to be given autonomy, nobody can have any fault to find with the scheme. But such a thing ought to be settled by the Members of this House when responsible government has come in to their hands. But if these terms are presented to us in the form of conditions, and if the Muhammadan community agrees to a settlement only on these conditions, I think, Sir, that shows a strong communal bent, and the growth of such a spirit is totally antagonistic to the growth of real nationalism in this country. I do not oppose these demands of the Muslim community on the ground that they come from my Muslim brethren but on the ground that they would be most injurious and fatal to the growth of nationalism in this country.

I will just try to examine them a little. There is a demand that Baluchistan should be created a separate province. The population of Baluchistan is not even 5 lakhs. Being less than 5 lakhs, it is equal to a *tahsil* or a sub-division of any district of the Punjab, or of any district in any other province of India. To demand that such a small sub-division, where the people are most backward, most fanatical, and given to all sorts of vices which are common to backward people, should be made a province and given self-governing institutions clearly indicates that the question is looked at not from a national point of view, but only from a communal standpoint. Again, Sir, it was the Nehru Committee that settled about the separation of Sind. I remind the House that the population of Sind is about 32 lakhs. The Punjab is divided into 5 Divisions and the population of Sind is much less than the population of any one of the five Divisions of the Punjab. If the creation of a province for these 32 lakhs of people simply to please a sister community or any other community were for the future good and betterment of the country, nobody could have any objection to it, and least of all would I have any objection to the proceeding. But if this is done simply on the demand of a particular community and on the condition that they would then only agree to a settlement to get self-government for India, this means nothing but that there is a communal standpoint. Where the outlook is purely communal, it is the duty of every nationalist in this country to fight that outlook and not to allow it to go on.

Now we come to the North West Frontier Province. That province again has got a population of 25 lakhs. My ground for opposing the creation of a self-governing separate province on the North West Frontier is the same as I have put forth against the separation of Sind. It is said that it is a separate province already but I say it is not. It is a strategic province that was created for the defence of the whole of

India. If a separate province is created for the defence of the country, it is to the interest of the whole country to look to the condition of that province and not to allow it to go into the hands of one community. Sir, I was reading John Stuart Mill's book on "Representative Government". In the chapter on Federal Institutions you will find that he says one great thing. He says that wherever there are federal states and in these federal states there are living separate communities, and if one of these communities has got greater bonds of relationship and sympathy with the hostile neighbouring countries, that state becomes a great source of weakness to the federal government. If this spirit is allowed to grow among the Muslim community here in this country and at the same time we give a chance of creating a separate state in a province where sympathy with the neighbouring hostile countries predominates, it is doubtful whether the creation of such a province on these lines would be for the good of the whole country. Lastly, Sir, there is the financial difficulty. The North West Frontier Province has been supported out of the Central revenues so long. The expenditure would naturally be increased by introducing reforms in that province. Now if we are freed from the burden of paying for the new Council and the Governor and other expenses of that province, I would say, let it be so. But if all the people have to pay for the expenses for the reason that it is a strategic province and is created for the defence of India, it would be a hard thing for us to allow such a thing to happen.

Now I come to my second point and that is about the public services. First of all, comes the Army. With regard to the Indianization of the Army, my Honourable friend, Captain Sher Muhammad Khan, was urging the other day the special claims of the martial races. No doubt the martial races have a claim to special concessions on the Government and they should be encouraged because they are always ready to sacrifice their lives and to shoulder all dangers for the sake of the country. But circumstances have changed and we cannot make the art of war simply a monopoly of any particular class or particular clan in this country. The last great war has established this fact very clearly that all people, whether they are shopkeepers, traders or labourers in the factories, can go and fight their enemies in the battle-field.

Mr. President: Order, order. The Honourable Member's time is up.

The Assembly then adjourned for Lunch till Half Past Two of the Clock.

The Assembly re-assembled after Lunch at Half Past Two of the Clock, Mr. President in the Chair.

Khan Bahadur H. M. Walayatullah (Central Provinces: Muhammadan): Sir, the subject of the Round Table Conference is a vast one and involves many complicated problems of great magnitude. The other Members have discussed various matters connected with it, and I have no desire to go over the same ground again as they have been so ably discussed already. I wish to confine my observations to one or two points only.

Sir, I am the only Muslim Member in this House to represent the Muslims of the Central Provinces. Unfortunately, no Muslim was chosen from that province to take part in the deliberations of the Round Table Conference, which was a great disappointment to, and forms a great and

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legitimate grievance on the part of, the Muslims of the Central Provinces. Though few in numbers, they are part of a large and important community, and along with Muslims of other provinces, they watched with much concern the progress of the deliberations which took place in London.

The province of Berar, which is tagged to the Central Provinces has no representative in this House, direct or indirect, so far as the Muslim population is concerned. It is very unfortunate that their case is always overlooked, and so far as I am aware, it was not even mentioned at the Conference. While the quantum of Muslim representation in the Central Legislature from the Punjab and Bengal was under discussion and each group advanced its claims and counter-claims with great emphasis and meticulous calculations, the Muslims of Berar saw with acute disappointment that they were entirely left out from these discussions and they fear that this injustice might be perpetuated for them. It is hoped that when the new constitution is framed, this omission will not be lost sight of.

Sir, the Conference has done splendid work. The previous speakers have already complimented the delegates for the successful results of their selfless labours, for their zealous and patriotic service to their mother country and on their great achievements. Many great and controversial problems have however remained unsolved, and we must not allow ourselves to be carried away by the idea that everything has been settled.

The entry of the States in a federated Indian Government is beset with difficult problems which can be solved only by men of ripe experience possessing great statesmanship. The methods of election to membership in British India and Indian India are likely to be widely different. How far the States would agree to shape their internal administration according to the decisions of this House remains to be seen. How far the members from the Indian States are to be allowed to influence our deliberations and thus take a part in the Government of British India has to be determined. These are difficult problems to be tackled and will provide ample material for the best brains of India for some time yet.

Then there is the communal problem. It is equally knotty and puzzling. The communal differences have been a curse of this country. Often they have assumed active form and caused the ruin of many families and the loss of many innocent lives on both sides. The country has suffered great economic losses and incalculable damage has been done to the national cause. All efforts to compose them have proved so far unsuccessful. Discussions have only led to the stiffening of the attitude on both sides instead of helping to solve them.

Sir, the Conference left over these disputes to be settled by the communities. It would have been much better if they had been finally settled. It reminds me of an incident. Two parties were quarrelling and fighting over something and the police placed them before a Court. The Magistrate in a persuasive tone advised the parties to settle the matter amicably out of Court. They replied that they were doing exactly the same thing and were actually settling the dispute but the police unnecessarily intervened. (Laughter.)

Sir, the question of their settlement has to be grappled with vigorously. There should be a change of heart on both sides and this question should be approached by all dispassionately in a liberal and accommodating spirit. It behoves the majority community to take the initiative and try to meet

the demands of the minority communities with magnanimity and in a spirit of compromise. I would ask both parties to remove all doubts and suspicions, to eliminate from their minds all distrust and then settle these domestic fraternal disputes in an atmosphere of perfect harmony and mutual confidence. Then and then only we shall be able to evolve a constitution for India which will command the respect and co-operation of all and be conducive to the welfare of all communities and the prosperity of this unhappy and distracted country.

Sir, I hope I shall not be misunderstood. The majority community will never lose its privileged position by granting a few concessions to the minority communities. The latter should also bear in mind that in their own interests they have to compose these differences somehow.

Proportional communal representation in the services is another controversial matter. It is desirable that the legitimate aspirations of all communities in this respect should be satisfied, consistently with considerations of efficiency. I will appeal to the majority community to minimise all chances of quarrel. Equal facilities should be provided for all communities for cultural development and for progress educationally, economically and socially.

If a serious effort is made in a spirit of compromise, the Muslim demands will be found to be capable of adjustment and fulfilment. The grant of reforms to the North West Frontier Province was deprecated at one time by a section of the people. But today the outlook is different and just the opposite. This side of the Assembly has recently given proof of its desire to extend a hand of brotherly help to the people of that unhappy province. They now whole-heartedly support their demand for fair and equal treatment. We feel as much resentment as they do for the harsh treatment to which they have been subjected for many years under peculiar laws and regulations, and we admire their powers of endurance and fortitude which alone saved them from extinction. There is now unanimity of opinion at least on this side of this House on the point of granting them the same measure of reforms as will apply to the rest of India.

Sir, the question of separate electorates is a very delicate one, and the Muslim opinion on the point is very definite and pronounced. Separate electorates may be opposed to the principles of true democracy, but we have to face realities in India. They have existed here for some years and the Muslims are not inclined to part with them. In the present circumstances, they may be continued. Mutual forbearance, joint working of the new constitution for some years, mutual confidence and adjustment may render them unnecessary hereafter and by common consent they may be dispensed with then. Until that mutual trust is created, it is waste of time to dwell any longer in our deliberations and debates on the ethics of joint electorates.

Sir, I would ask the majority community to follow the example of the Egyptians, who granted liberal concessions to the minority communities in order to win their freedom. As soon as the latter are satisfied, there will be nothing left but to make an onward march and with all component parts satisfied and all domestic questions solved, the Indian nation will be able to devote its entire energy in directions which are calculated to be of benefit to the country. To my mind, Sir, this seems to be the only solution of the vexed Hindu-Muslim question.

Mr. N. M. Joshi (Nominated Non-official): Sir, as one of the few Members of this House who had the good fortune to attend the Round Table Conference, I feel I ought to tell this House what my friend, Mr. B. Shiva Rao, and myself, who made it their duty to speak on behalf of Indian labour, did at that Conference. Sir, as is usual with me, I shall confine myself entirely to the labour point of view. It is for those who speak on behalf of the other classes to say whether the results from their point of view were satisfactory or not. But, Sir, I judge the Round Table Conference and its results by two tests. I firstly try to find out whether the working classes will have their due voice in the future constitution for India. The working classes and the masses of this country are not merely anxious for a change of masters. They want self-government, not for a few people in this country, but for all people in the country. It is from this point of view I shall judge the constitution that has been framed at the Round Table Conference. I shall also apply another test, and that test is, whether the interests of the working classes will be adequately protected by the machinery of Government that will be set up in accordance with this constitution. Sir, the Conference has decided to set up a Federation in India, a Federation in which the Princes, and not the people of the States, will have a very powerful voice, and an Honourable Member, Sir, with great delight stated the other day, that the Princes saw, came and conquered. Sir, that Honourable Member may see sufficient reason to delight at this result, but I feel, Sir, that the country need not congratulate itself if this has been the result of the Round Table Conference. I am not wedded either to a federation or a unitary form of government, but I judge every form of government that may be proposed for this country by the tests I have just mentioned.

I shall now see, Sir, how the constitution that has been proposed will stand the tests. In the first place, the legislatures that have been proposed are, in my judgment, not sufficiently large enough for the proper representation of the people of this country, especially of the masses and the working classes. In Europe, there are Legislatures having memberships of 600, 700, 800 or even 900, but a large number of Indian leaders who had gathered at the Round Table Conference agreed that in India we need not have such large Legislatures. Now, Sir, if you have a small Legislature, you will find it difficult to extend the franchise. If you increase the size of the House, you make it at least easier for the wider extension of the franchise.

Then, Sir, they propose an upper House, and the Report states that that body is expected to be a body of weight, experience and character. I feel, Sir, that some fair test will have to be found to judge whether the people who will be sitting in that House do possess the necessary weight,—perhaps bodily weight they may possess—(Laughter), whether they possess the necessary experience and the necessary character; but then are we to understand, Sir, that the lower House will not consist of people who will have the necessary character? I felt, Sir, that the Conference should not have mentioned especially the word "character" in this respect; but, Sir, I do not wish to dwell on this subject of the upper House.

I come to the lower House. Even lower House is to have a large proportion of representation of the Princes, presumably by nomination. The Report does not mention that, but the Princes state that it is the concern of themselves to decide as to what kind of representation the States should

have, whether elected or nominated. I feel, Sir, that their Highnesses should revise their opinion in this matter. If the Princes are going to join the Federation, it is not the concern of the Princes alone who will sit in the Legislatures. If the representation of the Princes is by nomination, to that extent they are going to affect the character of the Legislatures that will be set up for this country. I therefore feel that if the Princes' representation is going to be by nomination, to that extent the Legislatures will not be democratic.

Then as regards franchise for the lower House, the Report mentions that, in order that the constituencies should not be unwieldy, the franchise will have to be high, and the Indian leaders who had gathered there insisted that the Assembly, that is the lower House, must be elected on a direct system of election. Naturally, if you insist upon a direct system of election in a vast country like India, you will have to put a high qualification for a franchise. I feel, Sir, that the working classes and the masses of this country will not accept this provision. The working classes, as I stated at the outset, want to be represented in the Legislatures and want to have a voice in the elections, and if their representation can only be given on a system of indirect election, say by means of electoral colleges, I would prefer an indirect system of election of that character to a direct system of election with a high franchise qualification.

Sir, when we come to Provincial Councils, the Franchise Committee has recommended that an expert Committee should be set up and that Committee should examine whether the franchise could not be given to a number equal to 10 per cent. to 25 per cent. of the population. I feel, Sir, that there is no justification for omitting any section of the population of this country from the exercise of their civic rights. If there is going to be self-government in India it must be for every one. A vicarious self-government is not going to please the working classes and the masses. It is said that there are practical difficulties in the way of establishing adult franchise in India. The area of a constituency is very big, but the area of a constituency is not going to be bigger as the number of members in the Legislatures are increased, and the area can be still further reduced if we all agree to enlarge the number of seats in the Legislatures.

Then, Sir, it is said that there is the difficulty of polling booths. Personally I do not feel that there is any difficulty about polling booths. In India you are required to have a large number of polling booths, and you may have to add some more, but I think there is no real difficulty on this point.

It is then said that the number of voters to be canvassed would be very large. Well, it is quite true that the number of voters will be large, but can we envisage any time in which in India the number of people in the country is going to be a small one? That difficulty is always going to be with us. It is not going to disappear at any time that we can think of, and we have to deal with that difficulty. Sir, I have no prejudice against direct election, if we can secure the representation of the working classes and the masses by direct election. But, Sir, I shall certainly prefer indirect election through electoral colleges or by any other system, if that is the method by which the workers and the masses can be represented. I therefore feel that, whatever the expert-committee may decide, the Round Table Conference that may be held hereafter should not agree to any proposal by which a large section of the

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people of this country will be deprived of their civic rights. The Report of the Franchise Committee makes mention of an interesting suggestion made by Lord Zetland, that there should be some people who should be represented directly and some who may be represented indirectly. Sir, if there is a fair division of the seats between those people who are to be represented by direct election and those who are to be represented by indirect election, I shall have no objection to considering any scheme of that kind. But I am not prepared to have one kind of citizenship for those who are educated and possess property and a lower kind of citizenship for those who have not got the good fortune of possessing property. If the number of voters must be reduced under any circumstances, Sir, that can be done without penalising any class, by laying down a qualification which will be common to all classes of people. I suggest that we may put down an age qualification for reducing the number of people. Let us say that those people who are over the age of 30, or 40, or 50, or 60, can alone vote. By that means you can reduce your number, but at the same time, no class of citizens will be deprived of their right of citizenship. (Mr. Muhammad Yamin Khan: "What about the Sarda Bill?") If at all the Round Table Conference comes to a conclusion that there will not be adult suffrage, then, those people who will have to represent the cause of labour at that Conference will have to insist that labour must be represented in the Legislatures of this country by special constituencies. At present, there are special constituencies by which Members are elected by capitalist constituencies as the landholders, the industrialists and the commercialists. We claim that labour in all the Legislatures should have at least equal representation with the capitalists. Take, for instance, the present Legislative Assembly. The representatives of Europeans, who are the representatives of capitalists—I am quite prepared to make an exception in the case of my friend, Mr. Moore (Laughter)—the representatives of the Chambers of Commerce, the representatives of Indian commerce and of landlords altogether number 21, while only one Member, by the favour of the Governor General, is asked to represent the interests of labour. Sir, I cannot accept that position. In the Provincial Legislatures, there are nearly 90 members representing capitalist interests, while there are only 10 members representing the labour interests, and they are all nominated. Sir, labour cannot hitherto be content with nomination. Not only that, but labour will insist that its representation in the Legislatures by special constituencies must be equal to the representation of the capitalist interests. I suggest that for the representation of labour, if there are going to be special constituencies, the special constituencies should be the trade unions, and the qualification for franchise should be membership of a trade union. (Mr. Muhammad Yamin Khan: "What about agricultural labourers?") Sir, I am not against agricultural labourers and what I have said applies both to agricultural labour as well as industrial labour.

Now, I would like to consider very briefly the functions of the Legislatures that will be set up under this constitution which is proposed. In the first place, it is a federal form of government. If we go by the experience of the world, it is difficult for a federation to protect the interests of the working classes sufficiently unless special provision is made for the control of the Central Legislature over the provinces in labour matters. We are therefore anxious that labour under the federal constitution must become a federal subject. A federation has no interest for the working

classes at all, if labour legislation and labour matters are not going to be a federal subject. Sir, this difficulty has been experienced in other parts of the world. Take the Dominions of the British Empire,—Australia, Canada and others. You find it difficult to get such good legislation as health insurance, unemployment insurance, etc., in all these Dominions, but take the case of Germany where the federation has reserved to itself the power of dictating to the provinces in the matter of labour questions, and you find good labour legislation in that country. Sir, I shall not take very much time, but I shall only refer to one thing. . . .

Mr. President: The Honourable Member has only one minute more.

Mr. N. M. Joshi: Sir, I shall finish. And that is, that under a federation we should not be deprived of the international protection which labour has secured up to this time through the League of Nations. India is a member of the League of Nations and of the International Labour Organisation. India has ratified some of the Conventions, though not as many as we would have liked. But, Sir, if India becomes a federation with the Princes as parts of the federation, I feel that it would be difficult for a federation, consisting not only of the provinces in British India but also of 500 Indian States, to ratify the conventions. Sir, the last sentence. We, who represent labour interests, have no desire to stand in the way of any constitution coming into existence in this country. In the past, the British Government and the British Parliament may have or may not have protected the interests of the masses or the working classes. But one thing is clear that, hereafter, under no constitution will the British Government or the British Parliament, be able to protect the interests of the Indian masses and the Indian working classes. . . .

Mr. President: I cannot allow the Honourable Member to continue.

Mr. N. M. Joshi: I shall complete the sentence, Sir.

Mr. President: I am sorry I cannot allow the Honourable Member any further time.

Mr. Amar Nath Dutt (Burdwan Division: Non-Muhammadan Rural): Sir, the Leader of the House has moved a Resolution:

"That the Parliamentary papers in connection with the Indian Round Table Conference be taken into consideration."

Sir, if by Parliamentary papers the Report of the Indian Round Table

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Conference, as presented by the Secretary of State for India to Parliament by command of His Majesty is meant, I do not know how we, the representatives of the people in the Indian Legislature, come in in this matter. Has the Parliament asked us to give our opinion on the Report? I pause for a reply, but no reply is forthcoming. The Leader of the House, when moving this Resolution, could have enlightened us whether Parliament wants our opinion in this matter. If not, are we gratuitously to thrust our opinion upon a body who may or may not listen to the same? Would it at all be dignified for this House to do so? All this discussion is merely waste of time, but I hope the House will bear with me for a few minutes when I make a few observations. It may be that our discussions here may be helpful to the delegates to the Round Table Conference but even in that case I would like to know whether they really

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require our advice in this matter. We have heard more than one delegate to the Round Table Conference, who represents the capitalists as well as those who represent labour. We have heard only mutual admiration. The Report begins with an appreciation of their own achievements which would have come with greater grace from the lips of others. In page 4, the Report has been described as containing "Material of the highest value for use in the framing of a constitution for India, embodying as they do a substantial measure of agreement on the main ground plan". This is how they have complimented themselves. They have also been complimented by the Prime Minister of England in highly eulogistic words.

Sir Cowasji Jehangir: They were not the words of the delegates.

Mr. Amar Nath Dutt: The words are in inverted commas and it must be the words of one of the delegates. In page 72, I find the Prime Minister applauding their services so that they may not be greeted with black flags on their arrival in India with the following words:

"I think you will go back to India, whether you are disappointed as to the work or not, and say 'We were met by our British colleagues on terms of hospitable equality'."

I do not understand the exact implication of the words "hospitable equality".

Mr. C. S. Ranga Iyer: (Rohilkund and Kumaon Divisions: Non-Muhammadan Rural): Equal hospitality.

Mr. Amar Nath Dutt: Equal hospitality, as my friend suggests. If that be so, I do not grudge it. The Prime Minister continues:

"We have put our case before them and they have listened with a desire to accommodate us; and they have put their case before us and we assure you that there is so much in their case, so much experience in the working of institutions, so much in relation to the peculiar conditions of India, that they and we must come to agreements upon it."

Here comes the badge of inferiority of these delegates. They had to submit their case before a superior body and that superior body was kind enough to listen to them. They think that if they come to us with these credentials, as many of the Round Table Conference delegates have done, we shall take them at their word. Unfortunately for many of us we cannot do so. What is the reason? The reason is that the Conference was constituted without that dominant political party which only counts, the delegates were not chosen either by the representatives of the people or by the Central Legislature, but they were chosen by the British Indian Government. It was, therefore, really the Government of India meeting the British Parliament. Nothing else than that. They were the representatives of the Government of India and not the people of India.

The Honourable Sir George Rainy (Leader of the House): May I point out that, in answer to questions, I have said three or four times that the selection was not made by the Government of India.

Mr. Amar Nath Dutt: That makes very little difference. I do not utter these words with a view in any way to mar the peaceful atmosphere that has dawned upon the country by the wise statesmanship of one of

the greatest Viceroys who ever came to India in consultation with the saint of Sabarmati, who represents all that is noble and good in human nature. Let us congratulate ourselves that at last the Parliament has found out its mistake and now they want to take into confidence those who really represent the people, for framing a constitution for India.

Now, Sir, I won't say anything farther about the personnel of the Round Table Conference. One criticism I beg to offer with respect to the Report that is in our hands. I hope the work will be begun anew. Some Members have applauded the recommendation about the Federal Government, though it has been criticised by my friend, Mr. Yamin Khan, and rightly criticised. I do not really understand what is meant by a federal constitution, embracing both British India and the Indian States. Either it is a camouflage or it is to have no real responsible constitution for India. There are no less than 562 British Indian States. Their system of government is certainly not the type of the government we have in British India, and the dragging in of the British Indian subjects along with the Indian State subjects has been cleverly brought in by those who do not wish to see India win Swaraj, because they know perfectly well that at some point or other there will be a breakdown. That is my idea of the whole thing. Sir, I am a believer in a constitution on a unitary basis. I am strongly opposed to that federation which has the benediction of several Members of this House. I fail to understand how that system of government can be introduced in a country like India. From the dawn of history in this land, from the Vedic times down to the days of Muhammadan rule, we have had a unitary system of government—not a federal system of government. A federal system of government in this country at least, if not elsewhere, will divide the people of one federated State from those of another and will operate as a clog in the progress of both and hamper national advance which as a nationalist I have so much at heart. (Hear, hear.) I am opposed to the idea of framing any constitution with the concurrence, or rather with the approval of the British Parliament. Sir, I am a believer in the right of self-determination for India. I contend that in this matter of framing a constitution, we are not praying for boons and concessions as we used to do in the early days of the Congress, but since then within the last two decades there have been kaleidoscopic changes in human affairs everywhere in the world as also in this country, and we stand on our legs today demanding our just rights; and those rights are nothing less than the attainment of *Purna Swaraj* about which Mahatma Gandhi has spoken in unmistakable terms. My Honourable friend over there Mr. Arthur Moore, has said that we have already got Swaraj; well, whether we have got it or not, I wish we may get Swaraj, and I pray that Mahatmajī's hopes may be fulfilled, but, Sir, unless the Government of India choose to take the Mahatmajī's counsel, there will not be *Purna Swaraj*, and I think also that this Report should not be the basis of the new constitution and the work should be begun anew. (Laughter.)

Sir, I may be permitted to point out one other thing to this House, namely, that the proposed constitution in the Report is full of safeguards. Sir, these phrases, "safeguards", "transitory stages", "the realization of self-government by progressive stages" are the Serbonian Bog in which the Report is bound to collapse, and India cannot have real Swaraj with those

[Mr. Amar Nath Dutt.]

safeguards. Sir, you want to realize the prophetic vision of Lord Macaulay which was portrayed by him nearly a century ago in such pregnant words, as:

"Having been instructed in European knowledge, they may at some future age demand European institutions, whether such a day will ever come I know not, but never will I attempt to avert or retard it. Whenever it comes, it will be the proudest day in English history",

Sir, I invite the Government of India to expedite that proudest day in the annals not only of England but also which will be one of the proudest days in the annals of our own motherland. (Applause.)

Mr. E. Studd (Bengal: European): Sir, I am very glad to have this opportunity of adding my tribute to those which have already been paid to the work of the Round Table Conference and its delegates, for, in spite of the opinions of the last speaker, I feel sure that most people will agree with me when I say that that Conference has certainly achieved a foundation which will stand as a basis for the future constitution which is to be built; and I think most people will also agree with me that the successful results of the negotiations which H. E. the Governor General has concluded go a step further with that foundation. I believe that, whatever our tribute of thanks and admiration to him may be for these successful negotiations, the verdict of history will enhance that admiration and not detract from it. Sir, there are many problems and difficulties still to be faced, and our superstructure has still to be built. I use the word "our" in its widest sense to include all communities, all parties and all interests in India. I desire to associate myself with what my Honourable friends, Sir Hugh Cocke and Mr. Arthur Moore have said with regard to any help that we may be able to give. It seems to me that the first problems to be solved are those which mainly concern Indian parties and Indian communities; but if, as Sir Hugh Cocke said, they feel that we can be of any assistance and can give them any help in the solution of those problems, they can be quite certain that that help will be gladly and willingly given. (Applause.)

Sir, I have listened with great interest to the speeches in this debate, especially to those of the delegates who have returned from the Conference, and perhaps most of all to my Honourable friend, Sir Cowasji Jehangir's speech on the subject of financial safeguards. I do not think, Sir, that there is any country anywhere in the world, whatever its constitution may be, which has not got safeguards of some kind or other in the constitution—not safeguards which are merely temporary, but safeguards which are inherent in the constitution, and which perhaps have almost been lost sight of, because as a result of wise government, they have never had to be invoked; and I personally—and I know many of my community also—hope and believe that that also will be India's happy experience under the new constitution. (Applause.) I welcome the speech and the assurance of my Honourable friend, Sir Hari Singh Gour, with regard to the future of the British commercial community in this country, for it must be admitted that in many sections of my community there have been misgivings which have not been made less by certain articles appearing in the Press and certain speeches which have been made on the subject. I do not believe that those articles or those speeches represent the large body of

Indian opinion, but I was very glad to have Sir Hari Singh Gour's assurance on the subject. For, Sir, we do not ask for anything in the way of monopoly or anything in the way of preference; we merely ask that we and those who come after us should be allowed to continue to carry on their businesses with exactly the same rights and exactly the same equality which we have got now. And we do urge that it is not a matter which can be left to future consideration. Uncertainty will always prevent any man from doing his best work. It is, in our opinion, essential that the matter should be settled when the new constitution is settled. In the past, the British unofficial community had little opportunity of taking any direct part in the political life of the country. Nevertheless, I venture to say that even then we were able, though possibly only indirectly, to contribute something to that political life. Under the present constitution we have the right of voting, the right of representation in the Legislatures and the right of taking our share in various parts of the working of the country—rights which we value and appreciate, rights which we realise carry with them a responsibility; and I think the proof of our recognising that responsibility is the fact that we come and take our part in the work of this Assembly. (Applause.) In the future we are to have similar rights of voting and representation, and a similar share in the working of the country, but responsibilities are going to be bigger and the work is going to be harder. I can assure you that we appreciate those rights and also appreciate the responsibilities, and shall do our best to fulfil our part of them. Now, Sir, it seems to me that if we are given those rights of citizenship, it is not logical or fair to differentiate and to say, you may vote, you may be represented in the Legislatures, you may take your share in the working of the country but you may only have certain limited rights as far as business and commerce are concerned. I do not believe that that will ever be the attitude of that broad-minded Indian opinion to which my Honourable friend Sir Abdur Rahim referred on Monday. The position, I think, is still more strengthened by the fact that in the United Kingdom the British Indian has just the same rights as I or any member of my community have for trading and carrying on his business. We have, Sir, a large stake in the country; our interests are of a permanent character, for we are not just here to-day and gone tomorrow. Most of our interests have been built up over generations of hard work and organisation, often the son succeeding the father for two or three or four generations, and I think we may claim that we have done a great deal of pioneer work in developing the commerce and the industries of India. I think we may also claim that, in doing that, we have done much for the good of India and for the good of Indians. During the ordinary course of our business we have learnt to appreciate the good qualities of many Indians with whom we have had to deal. We not only appreciate their good qualities, but we have formed friendships with them which we value. Sir, no man or company or firm can carry on a business unless as the basis of it he has got the goodwill of the people with whom he is dealing. We maintain that we have got that goodwill, and I go further and say that the basis of everything must be goodwill, whether it be the framing of a constitution or the working of a Government or the running of a business, or even dealing with safeguards, for, however much you may try to make them, unless you have goodwill behind them to work them, their value is a doubtful one. Sir, it seems to me that India in her industrial and commercial development is still only at the beginning of things. There is an

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enormous field for development and if India is to develop that field to the full, surely she must mobilise all possible resources of capital, of brains and of industry in order to do so. We have very deep and sincere sympathy with Indian aspirations, not only political but commercial and industrial as well. We believe that when the new constitution comes into being there will be many problems and many difficulties which will have to be solved. We cannot help feeling that Indians and the Government then in power will need our help and will be glad of such help as we can give them. Again, I should like to assure them that they need have no fear of any lack of response on our part. We shall, as equal citizens in the country with them, be only too anxious to take our share and do everything that lies in our power to help them in the difficult task which they have undertaken. (Applause.)

Dr. A. Suhrawardy (Burdwan and Presidency Divisions: Muhammadan Rural): Sir, untroubled by the responsibilities and cares of leadership and untrammelled by any restrictions and restraints imposed upon members of a party, I find myself in the happy position of being able to speak freely, fearlessly and frankly, and that for hours but for the fear that the 20 minutes' rule might cut me short in the midst of a sentence and make me run the risk of being misunderstood and misrepresented. I am, therefore, not inclined to pay any compliments or shower congratulations on the members of the Conference or its Committees and conclaves or bestow compliments on the lesser and greater gods of His Majesty's Government. I have neither the time

Mr. R. S. Sarma (Nominated Non-Official): But you are taking up all the time in introduction!

Dr. A. Suhrawardy: My time is not yours.

Maulvi Muhammad Yakub: That is his look-out.

Dr. A. Suhrawardy: I have neither the time nor the inclination to burst into a psalm of praise or sing halleluiahs on bended knees like my friend who interrupted me from the other side of the House. I shall only make a very few observations as regards the character and composition of the Conference and its findings. But before I do so, I will have to take notice of the unmaidenly speech of a new Member who, judged by his past exploits is not a maid, old or young, and judged by his speech he is not a nationalist at all, but a rank communalist. Fortunately for him Mr. Jinnah is not in the House. Had he been in the House, in spite of the protection which chivalry extends to maiden speeches, my Honourable friend Bhai Parmanand or Premanand, who had thought it fit to pour out the vials of happiness or of love in order to soothe Muslim feelings, would have found to his great regret and cost that Mr. Jinnah, in spite of the fact that his name begins with "J" is not an old Jew but a young Tartar. He has complained of communalism. He has complained of the Fourteen Points of Mr. Jinnah to which he stuck like the old Jew. We all know that the Fourteen Points of Mr. Jinnah are not the Fourteen Points of President Wilson. Even of President Wilson's Fourteen Points, I do not know how many are embodied in the Treaty of Versailles or the Covenant

of the League of Nations. We all know that the Fourteen Points of Mr. Jinnah are neither the Twelve Axioms of Euclid, nor the Ten Commandments of Moses. They were on the same footing as the Eleven Points of the Mahatma; and even the Eleven Points of the Mahatma were reduced to Six Points and they are now embodied in the terms of the armistice or the settlement of peace. But where they are I leave it to my Honourable friend to discover—whether the Eleven Points have all evaporated into nothingness or are to be found in the crystals and grains of salt and the provisions for manufacturing salt in the villages. The Fourteen Points of Mr. Jinnah are only fourteen points for the basis of a compromise. And if similar midnight vigils are held in a secret conclave in a place not far away; if men of goodwill meet in the same spirit the leaders of the Muslim community; if our demands contained in the fourteen points are not treated contemptuously and not lightly brushed aside, but treated in the same spirit of statesmanship and goodwill; if night after night the great Christian Viceroy, who strove hard to convince the Christian of the East to apply the noble ideal of the Sermon on the Mount to practical politics and to affairs of the world, till as a result of his labours you all see the glimmerings of the dawn of peace, applies the same single-minded effort of statesmanship, the same devotion, the same earnestness of purpose and accords the same treatment to Muslim leaders, then another miracle may yet be wrought. But if the Mussalmans are treated with contempt either by Government or by the leaders of the Hindu community, well, I think, I will not be far wrong if I were to state on the floor of the House that Mussalmans, upon whom is not lost the lesson of the triumph of the non-co-operation movement, will take a leaf out of the book of the Mahatma, and the Round Table Conference whether in Westminster or in Delhi, whether in mid-winter or in mid-summer may go on without the Muslim representatives, at least of Bengal. (*An Honourable Member*: “Why of Bengal only?”) I speak of Bengal because I have the honour to represent Bengal. We are in the unhappy position that not a single Muslim representative who enjoyed “the hospitable equality” to which reference has been made by my Honourable friend, Mr. Amar Nath Dutt, is present here today. “Mr. Jinnah”, in the words of Mr. Mudaliar, “has not chosen to return to India” and Mr. Ghuznavi, I do not know where he is, has not chosen to be present in the House. Those were the only two Muslim Members of this House who were selected, I do not know by whom, whether by His Majesty’s Government or by the Government of India, but the Honourable the Leader of the House has repudiated that soft impeachment more than once. Out of the only two Muslim representatives, not one is present here today. So our misapprehensions cannot be allayed

An Honourable Member: There is Sir Abdul Qaiyum.

Dr. A. Suhrawardy: I am talking of elected representatives of the people. Sir Abdul Qaiyum is certainly here, but I do not know whether he is present in the House. My Honourable friend Bhai Parmanand also referred to the communal spirit shown in the demand for the creation of Baluchistan as a separate province. He says, it consists of only 5 lakhs of human souls and they are a very backward people, fanatical and not fit for self-government or self-governing institutions. I should like to place all these arguments together and make a present of them to the die-hards against whom severe complaints are made on the floor of the House for

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not granting full Dominion Status or *Purna Swaraj* or responsible government to India. These are the arguments and weapons drawn from the armoury of die-hardism and I cannot understand how my Honourable friend, who spoke as a great nationalist, could rely on such arguments for the denial of rights claimed for and enjoyed by the rest of India to the people of Baluchistan. He also wishes the North West Frontier Province to be treated as the Cinderella of the Provinces in India. He says it should not be allowed to be created into a separate province—it is a separate province already—he says it should not be allowed to go into the hands of one community. He has enunciated a new doctrine and a new idea of nationalism which he preaches. I should like him to take possession of the North West Frontier Province if he so desires. We have no objection, we Mussalmans have no objection to the North West Frontier Province being populated by the Hindus exclusively and entirely. If there is another peace Conference at Lausanne and another Treaty of Lausanne and if we, Mussalmans, will have a voice in the deliberations of such a conference, we will not have the slightest objection to an exchange of populations and to allow the North West Frontier Province being entirely populated by the Hindus. Let them have the burden of the responsibility of defending the frontier. He says that sympathy for the neighbouring hostile province is one of the reasons why the North West Frontier Province should never have a full-fledged self-government. This is a novel and a new doctrine. They can never hope to have the same degree of responsible government unless they become *suddhi-ised*, unless they become non-Muslims because they have the misfortune of being the co-religionists of the neighbouring Muslim kingdom of Afghanistan. Sir, I do not think I should take the remarks of my Honourable friend Bhai Parmanand seriously. I should leave other Members hailing probably from the same province as himself to deal with him.

Now, I should come to the points which I wanted to touch upon when I rose to speak. My Honourable friend Maulvi Muhammad Yakub had found fault with Mr. Maswood Ahmad for making certain observations as regards the character and the composition of the Round Table Conference. Although I am partly in agreement with the views of Maulvi Muhammad Yakub, I do not wish either to dissociate myself wholly from the views of Mr. Maswood Ahmad, nor do I wish to associate myself wholly with his views. Mr. Maswood Ahmad, being a new Member, had bluntly stated what my Honourable friend the Vice-Leader of the Nationalist Party stated in his diplomatic language. He stated that, "The Assembly has been ignored and we want representatives of the Assembly". That is a mild way of saying that the Conference was not fully representative and reflective of public opinion and in that I agree with him. There are two senses in which the word "representative" is used, and for the benefit of my Honourable friends, I should like to place before them the views of a great man whose views are entitled to respect. Maulana Muhammad Ali stated at the Conference:

"I am the only person belonging to my party who has been selected by His Excellency the Viceroy or the Government, of His Majesty here or whoever it is who has appointed these wonderful delegates. Whose delegates we are we do not know. I do not pretend to *represent* anybody."

That may be the feeling of many of the delegates themselves. That may be the feeling shared by many of us in this House. But I do not desire to dilate upon this point.

There is another point which I want to place before the House and there I find myself in agreement with the views of my Honourable friend, Mr. Amar Nath Dutt, when he says that it is a waste of time to discuss the Parliamentary papers which have been placed before us. Member after Member have appealed to us to bury the dead past. I am also anxious to bury the past. But the past is a fascinating subject. There have been occasional lapses into the past, even into the realms of epic and poetry and the days of the *Ramayana* and the *Mahabharata*. I hope the House will forgive me if I also succumb to the same temptation and if I refer to the long-drawn history of the Reforms. I will not start from 1861. But I will come to the year 1929 when the members of the Indian Central Committee were hustled into submitting their Report by a certain date in October. What was the fate of that Report? It fell still-born from the press. (*An Honourable Member*: "Whom did the members of that committee represent?") They represented nobody, just like the delegates of the Round Table Conference in the words of the late Maulana Muhammad Ali. But they were certainly Members of this House and two thirds of the members of the Central Committee were elected Members of the Central Legislature, one half of its members being elected by the Council of State. Their Report fell still-born from the press. Then there was the long-expected Simon Commission's Report

Mr. R. S. Sarma: Was Mr. Kikabhai Premchand an elected Member?

Dr. A. Suhrawardy: He was a nominated Member, but he was a Member of this House.

• **Nawab Sir Sahibzada Abdul Qaiyum** (Nominated Non-Official): What a curse he should be a nominated Member!

Dr. A. Suhrawardy: It does not lie in the mouth of my Honourable friend Mr. Sarma of Madras, the proprietor of the *Bengalee* and representing Bihar in this House by the favour of the nomination of Government to ask whether Sir Kikabhai Premchand . . .

Mr. R. S. Sarma: The Honourable Member suggested that the members of the Indian Central Committee had the distinction of being elected Members of this House

Mr. President: Order, order. The Honourable Member will please resume his speech.

Dr. A. Suhrawardy: Then that historic document, a classic and a masterpiece, the Simon Commission's Report, was thrown into the waste-paper basket and was not touched even with a pair of tongs. Then followed the Government of India's Despatch the existence of which I must confess I am not even aware of, because I do not think I was presented with a free copy of it and I am not rich enough to spend a few shillings or a few rupees to buy it. Now we have got this Indian Round Table Conference. Before the discussion on the Parliamentary papers could be finished there is a change in the scene. A new vista opens up before us,

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a vista of hope and of promise. This change of scene from Westminster to Delhi, the change of environment and of settings and surroundings and the introduction of new actors may altogether change the character and the complexion of the findings of the Indian Round Table Conference. What boots it then with incessant care to scan the pages of these volumes, to find out whether the safeguards are real or unreal, illusory or illusive?

An Honourable Member: Your time is up.

Dr. A. Suhrawardy: Very well, Sir.

Mr. President: Order, order. I should like to inform Honourable Members that with the utmost desire to allow every Member desiring to address the House, to do so, I must ask them to recognise that it is not possible within the time available to give an opportunity to every one who desires to participate in this debate. I should like to appeal to every Honourable Member who succeeds in catching my eye that he should try to curtail his remarks and bring them within ten minutes in order that other Members may have a chance of addressing the House. I would appeal to each of them to restrict his remarks within as narrow limits as possible and not try to exceed ten minutes.

Mr. Gaya Prasad Singh (Muzaffarpur *cum* Champaran: Non-Muhamadan): Sir, the Round Table Conference has no doubt assumed a large amount of importance since the happy termination of the Irwin-Gandhi negotiations. We have reason to congratulate ourselves and to congratulate the country on that happy event, and I am speaking in no language of convention when I tender our respectful thanks to His Excellency Lord Irwin and also to Mahatma Gandhi for the happy termination of a tense situation which was prevailing in this country. (Applause.) Sir, the history of the Round Table Conference in a nutshell is this. Government appointed the Simon Commission over the head of this House and of the whole country; and the people resented not only the personnel but also the composition of that Commission. The result was a thorough boycott of the Commission. This House boycotted the Commission and refused money; the country outside boycotted the Commission effectively; and certain Members of this House who were nominated to the Central Committee participated in their own individual capacities and against the wishes of this House and of the country at large. Sir, Government perceived their mistake, although they had not the courage to own it in so many words. It was therefore considered advisable to put forward Sir John Simon himself as the originator of a scheme which culminated in the constitution of the Round Table Conference. This Round Table Conference when it was convened in London for the first time had not a very happy augury of promise, but it was the changed attitude of the Princes which turned the tide of events in that Conference. Sir, the Princes of India were smarting patiently under the control exercised by the Political Department; and as the result of a representation which was made to His Excellency the Viceroy, the Butler Committee was constituted to look into the question. As stated in the Butler Committee's Report, the request for an inquiry originated at a conference convened by His Excellency the Viceroy at Simla in May, 1927, when a representative group of Princes asked for the appointment of a special committee to examine the relationship existing between themselves and the paramount power, and to suggest

means for securing effective consultation and co-operation between British India and the Indian States and for the settlement of differences. The Princes also asked for adequate investigation into certain disabilities under which they felt they had laboured.

That was the origin of the Butler Committee. Now, Sir, the Princes wanted bread, but the Butler Committee gave them a sugar-coated pill, or, if I may say so, a stone. The finding of the Butler Committee was this:

"The fact of the paramountcy of the Crown has been acted on and acquiesced in over a long period of time. It is based upon treaties, engagements and sanads supplemented by usage and sufferance and by decisions of the Government of India and the Secretary of State embodied in political practice."

This was very comprehensive; and the Princes felt that their only safeguard lay in a federal system of government. Our thanks are due to them for the very patriotic part which they played in the Round Table Conference in London. They showed that they were Indians first, and Princes afterwards. Sir, I shall try to follow your desire strictly, and I shall only just say this much with regard to the remark made by my friend, Mr. Yamin Khan. He envisaged a state of things in which the Indian States will be allowed to meddle in our affairs in the federal system, while we shall have no power of interference in their internal affairs. That is not the sort of thing which is contemplated. I will read out only one sentence from the Blue Book which has been supplied to us:

"The Indian States do not desire either to discuss or vote upon questions which concern British India alone and are of opinion that these questions should be definitely excluded; nor do the Indian States contemplate that any question of paramountcy will come at any time within the purview of the Federal Government."

Mr. Muhammad Yamin Khan: What about the executive? Read on further.

Mr. Gaya Prasad Singh: The federal system of government has been accepted not only by many Members of this House who have spoken, but also by the Indian National Congress; and I find that an integral part of the agreement between Mahatma Gandhi and Lord Irwin is based upon the recognition of a federal system of government. I shall put on record the sentence referring to this:

"As regards the constitutional question, the scope of future discussions is stated with the assent of His Majesty's Government to be with the object of considering further the scheme for the constitution of the Government of India discussed at the Round Table Conference. Of the scheme outlined therein, federation is an essential part: so also Indian responsibility and reservation or safeguards in the interests of India for such matters as for instance, defence, external affairs, the position of minorities, the financial credit of India and the discharge of obligations."

So Mahatma Gandhi and the great party which he represents are willing to enter into this Conference on the basis of a federal system of government. Personally I am not going to express my opinion one way or the other, but I am merely pointing out to the House that a large body of opinion represented by the Indian National Congress has in essence assented to this federal system of government. The critical point will arise as to the constitution and scope of this federal system, as well as the character and number of the safeguards which may be necessary to be imposed during the transitional period. But there must be an immediate transfer of full responsibility.

[Mr. Gaya Prasad Singh.]

Sir, I will ignore the remark made by my Honourable friend Mr. Maswood Ahmad the other day, and I would appeal to my friends to ignore some remarks to which they might legitimately take exception. We want to start with a clean slate, with a happy augury of promise and success for the future government of India. (Cheers.) We want that every community and every minority shall have the right to enjoy its own liberty, unfettered by any undue restrictions by any other community or interest. If we start with a desire to be sincere, to be honest and just, not only to ourselves but to all interests concerned, I do not think there need be any apprehension in the mind of any one community or interest that its legitimate interests will not be adequately safeguarded under the changed circumstances to which we are all looking forward with eager expectancy and hope. (Applause.)

Rao Bahadur M. C. Rajah (Nominated Non-Official): Sir, it is a matter of profound satisfaction to me and the members of my community—the depressed classes—whom I have the honour to represent in this House, that the Indian delegates to the Round Table Conference have laid the general ground plan for the future constitutional reforms. Talking on a momentous occasion like this, let me tell this House that the depressed classes are in no way behind any other section of this country's inhabitants in their desire for political advance. Rather they appreciate freedom more than anybody else, just as the caged bird longs for freedom all the more keenly because it has known the limitations of a cage or restrictions on its liberty. I may go further and say that we are more anxious for the freedom of this country than others, because we are the original inhabitants of this land, and the country's interests and ours are closely associated.

I can assure this House that we are happy that we are on the road to responsible self-government, a government of the people for the people, and by the people. The outcome of that government, we believe, will be the largest amount of good to the largest number of people. Since we the depressed classes form a large section of the population, we expect the largest amount of good to our people. It is with this expectation that the reformed constitution will bring in new hopes and increased happiness and liberty to the 45 millions of the depressed classes in this country, a vast mass of humanity, that we welcome the change. But we certainly do not favour that kind of political concessions which if given will only benefit the intelligentsia and will not enable the depressed classes to participate in them with equal benefit with the upper ten of the community.

Sir, all of us are eager to raise a magnificent constitutional edifice, as my Honourable friend Diwan Bahadur Rangachariar has said, "A new house", in our beloved country. In my vision of the building of such a constitution I had occasion to view the plan, and to survey the materials out of which this grand edifice has to be built, for it has to be admitted that no solid and harmonious structure can be put up without a preconceived plan, and that no amount of political phrases or catch-words, however ethereal they may be, can conjure up a concrete and stable machinery of government. During my survey of the plan and materials, it has struck me that a splendid mansion of constitutional government can be raised in our country upon four corner stones, namely, the caste—Hindus, the Muslims, the Depressed Classes and the other Minorities. But unless each of these communities is sound and strong, how can they support a lasting

superstructure? Sir, I am qualified to speak at least of one of these, namely, the depressed classes. Can you say with truth that an important section of your country the depressed classes, who form more than one-sixth of its population, are given the privileges which are enjoyed by the rest of their countrymen? Nay, are they not denied even the most elementary rights of mankind and condemned eternally to live in squalid surroundings, the hotbeds of dirt and disease?

Now I say to you who are really interested in the country and in the welfare of the nation that you should prepare yourselves for responsible self-government, and more especially for social solidarity through the breaking down of the caste system as it obtains at present in our country, and this can be brought about by a moral revolution, the sacrifice of selfishness; and the sooner this ban of untouchability is removed, the nearer will you be to the goal of complete Dominion Government for India. Unless you do this, India cannot be free, no matter how much self-government she obtains now. And in the words of Mahatma Gandhi, "You will gain Swaraj only to lose it the next month". Sir, patriotism is good and noble, but I ask what is patriotism without love for your neighbours?

In January 1921, ten years ago, the Indian National Congress passed a resolution for the removal of untouchability. Commenting on this Mahatma Gandhi wrote in *Young India* that the removal of this blot on Hinduism was necessary for the attainment of Swaraj, and that "it was a reform not to follow Swaraj, but to precede it." Just a year ago, in March, 1930, Mahatma Gandhi is reported to have said:

"We want to rule the untouchables, and on the other hand the Government want to rule us. Both are thus equal. If this goes on we do not deserve Swaraj. I am really pained to see this. If you do not allow the untouchables to mix with you, then rest assured Swaraj will go far away from you."

The late Lala Lajpat Rai and Dr. Moonje both have affirmed that Swaraj and untouchability are incapable of reconciliation. What did the late lamented friend of the depressed classes, Lala Lajpat Rai, say? He said:

"I believe that India will not be fit for Swaraj unless this blot on the fair name of Hinduism has been completely washed away."

And I am sure the House would also like to know the opinion of Dr. Sir Tej Bahadur Sapru, the leader of the Moderates, who played a most important part in the Round Table Conference. He remarked thus:

"I do say what is my most sincere conviction, that unless you are able to solve your own social problems about the depressed classes and the untouchables, I do not see any real prospect for real genuine constitutional advance and any constitution that you may get will certainly not arouse any interest in me, because I do feel, howsoever good, howsoever perfect, howsoever ideal your constitution may be, unless you have got the support of the minorities and unless you command the confidence of those whom in your vanity you may describe as Depressed Classes, your constitution will not be worth a day's purchase."

And my friend Dr. Moonje was right in saying that if there was a real desire for Swaraj, the removal of untouchability was not a big Himalayan task, for it is not a herculean task to root out this oppressive system, and especially its most cruel feature, namely, untouchability. Where there is a will there is a way. If the British enjoy a form of government which allows the maximum amount of liberty and fair play to individuals, it is because through every century of their history, and especially during the

[Rao Bahadur M. C. Rajah.]

last, they have set themselves to remove the oppressive features in their social structure, whether they affected capital or labour, children, women or the poor.

If Japan again has made the most remarkable progress, it is because the privileged classes, the Samurai, had voluntarily given up privileges which wrought injustice on others, with the single-minded aim of benefiting the country as a whole.

Even when the English nation as a whole was unripe for reforms, or violently opposed to it, a Shaftsbury was able to get laws abrogated which worked oppressively on women and children. A John Howard succeeded in affecting improvements in prison life and a Wilberforce spent his lifetime in winning freedom for slaves even in the teeth of opposition from powerful quarters.

If only the smallest percentage of the efforts expended all over the country for the recent salt-making campaign and the methods of defying the Government were directed towards excising this canker of untouchability, which veritably eats our social and political system, untouchability would soon be a thing of the past.

Sir, from what I gather from the study of the history of our country, India has not suffered so much from the want of knowledge of the ideals of government as from the evil of disunion among its people. This evil genius has been at work in destroying the glorious destiny of our dear land. It was not the want of physical power to resist the invader that was the cause of the defeat of our people. It was disunion pure and simple and it has continued down to this day, and it will continue in the same groove till doomsday unless we cry, halt, and turn over a new leaf in our history,—but not a new leaf in a paper constitution, which after all might be termed “a scrap of paper”, but a new leaf in our moral effort. India can be the India of our dreams, “if it chooses”, not in paper, but in its conscience.

Sir, the British have given a definite assurance to fulfil their promises, pledges and obligations. It remains for the Indians now to fulfil their promises, pledges and obligations to the depressed classes. Sir, we are glad safeguards have been promised to us. I fully hope and trust that they will be properly incorporated in the constitution. We no doubt want adult franchise, and what is more important, representation through separate electorates, and that on a population basis.

Sir, the caste Hindus ask us: “Why do you want safeguards? Why do you want separate electorates?” Might I ask them. Sir, in reply, what would they want, if like us they were held in subjection by long standing custom by the domineering classes against their will? What would they want if they were exploited? If they were intellectually starved? If they were denied the benefits of schools, roads, wells, temples? If we now ask for safeguards, it is not our fault. That fault is to be laid at their doors. Sir, for the successful working of responsible government, the contentment of all classes is very essential and it would be only wise to grant the community its desire. Why force an unwanted system upon us? It would be far better to foster the growth of confidence by removing all suspicions of majority manipulations, by granting to us separate electorates. The moment our confidence in their sense of equity, justice and fair play

grows to such an extent as would render separate electorates unnecessary, rest assured, we will not hesitate to join them in joint electorates. At present as the community is so weakly represented in the electorates and so little versed in the craft of the politician, it should be given the protection and the sense of security afforded by the separate electorates. Sir, we are a separate community, though we are labelled as Hindus. We are not allowed to take part in Hindu ceremonies; we are not allowed into a Hindu temple to worship a Hindu god; we are not allowed to read the Vedas, the Hindu scriptures, and it is also said that we have no place in the Hindu heaven. In consideration of our separate interests, our numerical strength, our political importance and our undoubted disabilities, we press our undoubted right as a distinct community to elective representation on the Legislatures, by means of separate electorates.

In this connection I may point out to this House that the depressed classes did not boycott the Simon Commission. Depressed classes associations throughout India appeared before the Indian Statutory Commission and placed before them their considered opinion. In para. 79 of the Indian Statutory Commission's Report, Vol. II, it is said:

"Most of the Depressed Classes associations which appeared before us favoured separate electorates with seats allocated on the basis of population, though one or two still wished to retain nominations."

It will interest the House that the two delegates nominated by the Government to represent the depressed classes at the Round Table Conference held in London are not from those associations that favoured separate electorates, though the Government of India also in paragraph 35 of their Despatch on proposals for Constitutional Reforms had pointed out that, "Recent meetings of Depressed Classes Associations have re-affirmed their belief in separate electorates".

- Sir, we want also an adequate share of Governmental responsibilities, particularly a fair share of public services, both civil and military. All that we want is our manhood, our rights.

Sir, on an occasion like this, I will not be true to myself if I do not publicly acknowledge that it is the presence of Englishmen in India that has brought to us a sense of our rights as men. They have been our friends, and we are thankful to them for this. Now that political power is passing from the British into the hands of those who have oppressed us and have been oppressing us in the past, we feel that our position in the future would become intolerable and that under Swaraj or responsible self-government, they would look after the interests of their particular communities and would either neglect us or train us in such a way as to look upon them for ever as our masters. This is why, Sir, we urge for safeguards.

The moment they infuse confidence in us, the moment they bring in a real living feeling of common brotherhood based on equality, the moment they destroy, root and branch, the oppressive and inhuman caste system, the moment we see that real change in them, the change of heart, I assure you, Sir; we will say, 'no more of these safeguards'. We want them only as a temporary measure until real democracy is established, till conditions improve and a real national outlook is developed. I do not

[Rao Bahadur M. C. Rajah.]

put separate electorate as an end in itself, but only as a means to an end, the object being effective representation in the Councils for the depressed classes. But we do not believe in social unification by means of formulas, speeches, resolutions and conferences.

Now that we are going to get responsible self-government, I wish to sound a note of warning to the majority communities in this land. When you get power into your hands, see that you do not misuse it, I am afraid a day may come sooner or later—or it may not come at all as it all depends upon how you conduct the affairs of the State with reference to the depressed classes. I say a day may come when the depressed classes will agitate for their legitimate rights and privileges, and if you then resist or repress their legitimate demands, they will then start non-co-operation and civil disobedience movements against your Government. See that you then view their demands and aspirations as you wish the present British Government to view your present civil disobedience movement. After having obtained power into your hands, see that you do not use it as a giant. Do not bring in section 144 against our leaders, and do not promulgate ordinances to send our men to jail.

In conclusion I hope that the depressed classes will secure their voice and representation in all future negotiations and collaborations with Government and that their point of view will always be considered.

Mr. N. M. Dumasia (Bombay City: Non-Muhammadan Urban): Mr. President, as the Honourable Mr. Arthur Moore has pointed out, a new history has been made during the week-end, chiefly on account of Lord Irwin, who has identified himself with the best national interests, and Mahatma Gandhi, who has dedicated his life to attain freedom for his country. Mr. Moore's speech is conceived in a most laudable spirit, which is a happy augury of the absolute success of the Round Table Conference. If Pandit Motilal Nehru—whose loss we all mourn deeply and sincerely, who strove for peace till the last, though unfortunately he did not live to see the happy result,—awoke from his grave, he would not fail to give his blessing to the settlement, which promises to usher in a new and brighter era in India. We all see the twilight of the dawn, and we can await with confidence the glorious sunshine which will restore once more happy smiles on the faces of the people of this unhappy and distracted land.

Sir, the subject that we are discussing today is a vast one. It is the biggest national transaction that has taken place since the transfer of India from the East India Company to the Crown and it is of gigantic proportions and tremendous importance, and it is not possible to come to a satisfactory conclusion without making proper adjustments of different claims. I am speaking as a non-Hindu and a non-Muslim, and as such, I say that unless the claims of the Muhammadans are satisfied, there will be no Round Table Conference, and that is what Mahatma Gandhi himself said yesterday to the representatives of the foreign Press who waited upon him for an interview. Sir, if a new Round Table Conference is not held, it would be a disaster of great magnitude. What the Muhammadans want is that their rights in accordance with their historic and their political importance should be conceded. I have said that there is a demand for the adjustment of various claims. Mr. Joshi pleads for

the labouring classes, the Muhammadans put forward their own rights, and the Indian States people make their own demands. All these demands can be discussed and adjusted at the new Round Table Conference.

• The subject that has aroused controversy in India is in regard to the rights of the British commercial community. Reference has been made to this in the Nehru Report, in which it was stated that India was prepared to give equal rights to Englishmen resident in India along with Indians, but the definition of citizenship was not given. Then, again, in this House, on a former occasion, Pandit Motilal Nehru said that when Swaraj came, they would not in any way deprive the Englishmen of their existing rights. If we proceed in that spirit, Sir, I am sure that we will be able to achieve a lasting peace, instead of the provisional peace that has been achieved at present. Mahatma Gandhi said yesterday that he wanted the help of Englishmen. Englishmen inside this Assembly as well as outside have offered their help. If, in return, we tell them that we shall stand by them, that we shall not deprive them of their existing rights, then I may say that a satisfactory solution of all the difficulties will surely be arrived at. We owe a great debt of gratitude to Englishmen. They were the pioneers in commerce and trade and industry, and many English statesmen have done their best to advance the political rights of India. If we recognise that debt of gratitude which we owe to the Englishmen, and if we promise to stand by their rights, and those of the minorities, then we shall be able to achieve a lasting peace not only for India, but for the whole world.

Mr. B. K. Pari (West Punjab: Non-Muhammadan): Sir, we have heard some very interesting speeches, this afternoon, particularly from my Honourable friends who have had the opportunity of going across the seas and taking part in the deliberations of the Round Table Conference. And what I have noticed in particular is that the discussion has more or less assumed a sort of a party aspect, in which the gentlemen who were members of the Round Table Conference felt that they were more or less on their defence, that as such they should uphold and support the findings of the Round Table Conference, whether they were good, or whatever their value or worth might be. A deliberate attempt has been made to convince the House that whatever they have been able to achieve is something so valuable that the House ought at once to go down on its knees and acknowledge it. Well, we are not in that mood at all. We are willing, we are quite prepared to acknowledge whatever these friends have been able to achieve, and to that extent they deserve well of their countrymen. But, Sir, if they really think that they can befooled us in any way into believing in the efficacy of certain methods recommended which we really and honestly believe are not possessed of that value and of that worth, they are very much mistaken.

I have carefully gone into the Reports, at least with regard to one or two particular subjects, and I find that so far as the Defence Sub-Committee's findings are concerned, they are highly unsatisfactory. I regret to say so, and I hope that any observations made by me or by any other Honourable Member in this House will not hereafter handicap the labours of those who have yet to sit in deliberation and to chalk out a constitution for this country. We are out to help them if we can, but still, as the representatives of the country, it is up to us to say boldly and frankly if

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we find that there is a flaw here or a defect there. I find, so far as *defence* is concerned, that two obstacles apparently have been cited as a sort of thing which stands in the way of the achievement of the real goal, the real goal being that no self-governing country can exist even for a day unless it has got the capacity to defend itself and so far as the capacity and the power to defend oneself is concerned, I submit that that goal can only be arrived at, if the whole Army of this country is Indianised. At the same time, we cannot ignore the consideration that this sort of thing cannot be achieved all in one day. We must be reasonable, and the process must begin from today; as a matter of fact, it ought to have begun long before, but that process was delayed for reasons which are best known to those in whose hands the reins of government were at the time. Now, when the things have come to a head and we are called upon to see where the shoe pinches, and how the defect could be removed, we find that in the past a policy was pursued which was so suicidal, so detrimental to the interests of this country that, if the House bears with me just for one second, I will place the situation by referring to a passage in that well known book of Sir Sivaswamy Aiyer, where the position is summed up so far as the defence question is concerned. At page 101 of the book the learned author says:

"The policy followed by England with regard to the military organisation of India has been based upon a deep-rooted distrust of the people and the princes of India and the one dominating motive has been how to maintain her hold on India in the event of a general rising among the people. The distrust was the unavoidable result of the government by a foreign power of a vast country inhabited by many millions of people of alien races, creeds and languages. It was deepened by the great mutiny and has not been substantially affected by the lapse of seventy years of peaceful rule and the consolidation of the Empire. . . .

The whole subject of the organisation of the army in India was reviewed by the Peel Commission in 1858-59 and by Eden Commission in 1879."

Then follows the finding of the Eden Commission:

"The purposes of the army in India were stated by the Eden Commission to be to prevent and repel foreign aggression, to prevent armed rebellion within British India and to watch and over-awe the armies of feudatory Native States. The two principles followed by the Government were to demartialize the people and to divide and rule. The demartialization of the people was accomplished by the wholesale disarmament of the civil population. Recruiting was confined to certain areas and classes only on the ground that they furnished comparatively the most valuable fighting material, and that, where the object was to spend money allotted for military expenditure to the best advantage, it was not desirable to recruit from the areas and classes which were supposed to be less martial. Whatever truth there may be in this argument, it was overlooked that from the national point of view, the exclusion of particular classes of the people from recruitment would extinguish the taste for a military career. Such a policy was bound to perpetuate the inferiority, if true, of the excluded classes and inflict injustice on the ground of birth upon members of such classes who might possess all the necessary qualifications for a military career. Now was any opportunity for military training or developing a taste for the profession of arms provided by any system of enrolment in a volunteer corps. Admission to the volunteer corps was practically restricted to Europeans and Anglo Indians."

That was the policy which was followed and that is the finding of the Eden Commission. These are not the criticisms or outbursts of any political agitator. These are the findings and conclusions of a commission presided over by an Englishman and if this was the policy which was pursued in the past, is there any wonder that today we hear that we cannot achieve complete Indianisation because we cannot get the right class

of people, because the martial classes are so scarce in this country, that there is not sufficient number of eligible and properly qualified persons who can be availed of and therefore the Army cannot be Indianised for a considerable time yet to come. These are the arguments which are today being put forward. Now so far as the right of any particular class of people to being called a martial class is concerned, my submission is that the martial classes are not the products of any statutes. There is no such thing as a statutory martial class. Nor can such a title be bestowed by the Government or any power upon any class that "From tomorrow you will be a martial class". Martial classes are brought into existence by the exigencies of the occasion and the time, and it is the time and the occasion which make men martial. In the history of this country and in the history of various other countries and climes, it is a notorious historical fact that when the occasion has arisen, men have also arisen along with it. Look at our own history. The weak Bengali was capable of unsettling things which had long been settled. Then again look at the Sikhs who came into existence owing to the wrongs of those times committed upon the Hindu religion. The occasion gave birth to that class who at the present time are the flower of the Indian Army. That is the Sikhs. Why go so far. Look at the present times. See what has been the result of the Congress movement. Women and children have proved martial during the last 12 months or 18 months. After all what is martialism? Martialism means that you must have the courage and the fortitude and the pluck to meet organised forces. Have not all these qualities been demonstrated to the fullest extent in the recent political demonstrations? I claim on behalf of these people that as occasion demanded they have risen and proved true to the occasion, so that when circumstances demand a particular class of people, they are automatically produced. What was the position of these so-called martial classes when the war was declared? On that occasion there was no discrimination made whether a particular man belonged to the martial or non-martial class. Every Tom, Dick and Harry could enlist and was given a place in the Army. If suitable men came forward, they were even given the position of officers. That in a country like ours, with a population of 300 million people, there is not enough martial material is a position which cannot be tolerated even for a second. There is no lack of material in this country. So far as Indianisation problem is concerned, we have got enough material. Given proper chance and training, we can produce any number of officers and any number of rank and file. If today there is any difficulty on that score, it is due to the wrong and unjust policy that has hitherto been followed. It is not the fault of the people.

Now, Sir, just a word with regard to the speech of my Honourable friend Diwan Bahadur Mudaliar. He was profuse in the distribution of all sorts of compliments, beginning with the Prime Minister downwards. No doubt they are all entitled to our thanks. While I do not deny that at all, my suggestion is that if the list of thanks is not already closed and if my learned friend gets a further opportunity of making a speech, he might also consider the claims of the one party which is entitled to all the thanks that we can possibly give, namely, the Congress. My view is that the Round Table Conference, along with its Dominion Status, whether perfect or imperfect, has been conceded only by the efforts of the Congress and not by the soft or the eloquent speeches made by my learned friend. It is due to the Congress and the men and women who

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have made all the sacrifices in the country during the last year or two years.

Sir, if my time is up, I shall only require a hint from you and I shall sit down.

Mr. President: You have exceeded ten minutes, not twenty. You can go on if you like.

Mr. B. R. Puri: If that is so, I shall stop here and will give others a chance.

Mr. H. P. Mody (Bombay Millowners' Association: Indian Commerce): With the establishment of a truce, the conclusions of the Round Table Conference may be said to have emerged from the turbulent arena of party politics into the clear light of day. I hope, Sir, that the financial Pundits and military experts, who have been so greatly in evidence in the last few weeks, will now cease to expound their wonderful theory that with the safeguards and reservations which have been imposed on the constitution that has been outlined in London, India will be under worse disabilities than she is suffering at the present moment. When so much has been left unsettled and so much has been left in the stage of tentative agreements, it would be absurd to make any extravagant claims for the Conference, but this, I think, can be legitimately claimed, and every fair critic must concede it, that the Conference has evolved a constitution which is going to result in the transfer of power from British to Indian hands. That, I think, is the main achievement of the Conference. If I may use a metaphor, the outer fortifications have been stormed and captured, or perhaps, to put it more accurately, they have been willingly surrendered, and it is only a question of time when the inner defence works will be given up entirely. The time has therefore arrived for subjecting the conclusions of the Round Table Conference to a dispassionate and searching analysis.

A great deal has been made of the safeguards and reservations. Unfortunately, some of the critics of the Conference seem to think that the safeguards are the constitution itself, instead of being merely temporary features. Amongst these safeguards those which have attracted the most criticism are naturally enough in the domain of finance, where Indian opinion has expressed itself in no uncertain terms. Now, Sir, as one who recorded his dissent from these safeguards at the Round Table Conference, I shall be the last man to stand up in defence of them in this House. Some of those safeguards are couched in language which is rather vague, and is in other cases a little too wide. I am not going to discuss those safeguards. All that I wish to say is that when the time comes for subjecting them to a careful analysis, we will have to see that those powers which are reserved, to be exercised only in cases of emergencies, are so defined that they cannot possibly operate in ordinary times, and cannot to that extent fetter the independence and powers of the Indian Finance Member. I will only deal with one of those safeguards, that which has aroused most criticism, and which lays down that the Governor General's assent will be required to any Bill which has for its object an alteration in the currency laws of the country. Now, Sir, if this power is to remain with the Governor General only until such time as the Reserve Bank

comes into existence, there is a general disposition to allow that. But, considering carefully the language of the Report of the Federal Structure Sub-Committee, where those reservations appear, it does not seem to me that the power is expressly reserved to be in operation only till the Reserve Bank comes into being. Now this and the questions of the budgetary arrangements, which are again vaguely referred to, and of the internal and external loans, all these will have to be very carefully considered in the new Conference that is going to be set up. I will only say this, that in matters of finance we are all bound to recognize the force of certain considerations—considerations like that of the credit of India in the markets of the world, considerations if you like also of the susceptibilities of those from whom power is to be transferred. I have no doubt that, with the spirit of accommodation which was so much in evidence at the Round Table Conference and which I hope will also be in evidence at the coming Conference in India, the financial safeguards will be so watered down that while on the one hand they confer practical autonomy in financial and economic affairs on the people of the country, they also reserve to the Governor General such powers as are essential, if in the initial stages of the new constitution the fabric is not to tumble down—powers which should be exercised only in case of grave emergencies.

There is just one other matter to which I should like to make a reference, and that is with regard to what is known as the discrimination clause. I want to dwell on this briefly, but very frankly. When the clause first emerged from the Federal Structure Sub-Committee, it was too categorical in terms and it seemed to lay down without any qualification or reservation that there was to be complete equality of treatment between the British and Indian commercial classes. I thought it my duty at once to get up and point out to the Conference certain considerations which must weigh with the Conference before it could accept a clause of this character. I said that, while I was the last man in the world to suggest that there should be anything but equality of treatment between Indians and Britishers as regards their commercial rights, this was subject to the paramount consideration that Indian interests were to be first. I pointed out that where key industries were concerned, and where certain essential national interests were involved, it might not be possible for the principle of strict equality of treatment to be conceded. Upon that, Sir, there was a certain amount of discussion and we had to meet in various informal conferences with a view to evolve a satisfactory formula. That was done, and it is now embodied in the conclusions of the Conference. That formula, I want the House distinctly to understand, safeguards the position of both Britishers and Indians. It safeguards the position of Britishers in this, that so far as their ordinary trading rights are concerned, there is no intention on the part of anyone to discriminate against them. So far as Indians are concerned, it assures to them that in respect of national industries, and where vital national interests are involved, they will be perfectly entitled, not to make "discrimination"—I hate that word, "discrimination"—but to protect their national interests. This clause is clearly to be understood as safeguarding the position both of the Indian as well as the British community. I am sorry that, on account of the shortness of the time at my disposal, I cannot dwell upon this and other important matters more fully. I only want to say that, while we do not claim that we have achieved miracles—judging from some of the speeches of my Honourable friends it would seem as if they thought we

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were hungrily looking for compliments and bouquets—we did what we conceived to be our duty; and from the opinions expressed during the last few days, it would appear as if we did not acquit ourselves too badly.

Mr. Muhammad Azhar Ali (Lucknow and Fyzabad Divisions: Muhammadan Rural): Sir, I am very much obliged to you for your giving me an opportunity to speak on this question. Sir, it is not easy for us now at this late hour to try to cover the whole ground, but for us to say that the Round Table Conference was not a representative body, or that the delegates were not our delegates or things like those, is, I submit, an absolute waste of your time and the time of the House. Now, Sir, what we have to consider at present is how is India going to advance in the future, how the country is to develop. I think, Sir, ever since this truce has been declared, there are now three matters which stand out boldly before us and in the light of which we ought to study this question. The first is—as we find it in the words of the Prime Minister —“that equality with other Dominions will be the goal of India”, and the second is, in the words of Mahatma Gandhi as declared today, “complete disciplined rule from within will be the goal of India”; and the third is—as has been declared by three great Mussalman delegates from India, Mr. Jinnah, His Highness the Aga Khan, and Sir Muhammad Shafi—that it is very difficult to evolve any complete system of administration unless the rights of the minorities are safely, properly and adequately safeguarded. Now, Sir, it is in the light of these three problems that I say the Round Table Conference deliberations will have again to be gone through.

Now, being pressed for time, I think it will be very difficult for me to go in detail into all the deliberations of the Round Table Conference, but I would simply submit and say one word about the Indian States. Sir, I think, just as we find in the House objections expressed about the Indian States coming so easily into the Federation, I think the Indian States similarly might also hurl such arguments in our faces and say, “We stand on a certain basis which you British Indian people do not have”; and that we shall have to consider very seriously; we know it very well that Indians in Indian States have produced very great administrators, and that some of the Rulers themselves are very great administrators, and that although their subjects may be called backward in certain respects, my idea is that they have achieved, on the whole, a great deal of education and are also men of thought and intelligence. At the same time I would say that the Indian States might help us in the task of the Indianization of an Indian Army. So, we have to study these questions in the future Round Table Conference. If I were to say here that the whole thing which has been done ought to be declared a fiasco, or that it should have been done this way or that way, it would not be right now, my submission is that this is not the time for the House to discuss these questions in that light.

Now, Sir, I will say something on the subject of safeguards. Of course, we do not look upon the safeguards as the vital question of our future constitution. We know that safeguards will be put in where they are necessary and I stand here as a representative of my own province and I say that safeguards, so far as the depressed classes are concerned, are very necessary. So far as other communities and the minorities are

concerned, they are very necessary too. In the same manner it is my supreme duty today to declare in this House that this second chamber, in the Provinces, I absolutely dislike, and I would be the first man to oppose it. Why is this second chamber hurled at our heads when we knew nothing of it so far? This second chamber will be an autocratic chamber and what will be its function? It will be simply putting a gag on our future constitution. Having this second chamber will be a dilatory method of dealing with the introduction of the Bills and laws of the country. This second chamber will not in any way, as it is said to do, represent the agriculturists of the country. My idea is, and I say it very plainly, that this second chamber will be always in the way of the poor tenants of the country. It will be not only in the way of the agriculturists, but it will also impede the progress of the industrialists of the country. Sir, it may be said that these great magnates will have to find some place in the constitution of the country. They can come and fight as commoners and as ordinary men in the new constitution of India. Anything which divides them and which tries to throw any kind of discrimination between any parties in India will not be in conformity with the principles of self-government and self-determination. With these remarks, Sir, I conclude my speech.

Nawab Sir Sahibzada Abdul Qaiyum: Sir, I did not wish to take part in this debate as some of the speakers who were at the Round Table Conference had put the case so clearly before the House that it was not possible for a man like myself to elaborate it any further. As a matter of fact it was after my friend, Sir Cowasji Jehangir, had fully explained the whole position at the Round Table Conference that I had really given up the idea of taking part in the debate, but certain remarks passed by one of the speakers this morning about the N. W. F. Province necessitates my saying a few words about it.

Sir, the Conference was a body consisting of people who represented all shades of opinion in the country. The Viceroy, or whoever selected the delegates, had taken care to bring in every class of people that counted in the country. From the Liberals to the Nationalists and from the Mahasabhaites to the Arya Samajists and from the various sections of the Hindus and Mussalmans, men were selected for the Conference and every organisation was represented there. Whether the delegates succeeded in achieving all that they pleaded for or whether they failed in achieving all that they wanted, is a different matter. The question before us is whether every delegate claiming to represent a class had done his duty honestly and had put his claim fully and clearly before the Conference or not. If any of the critics in this House can refer to any statement made by a delegate to show that he had not put in his full claim, we shall admit our fault, but if they are only referring to our failure, we cannot be held responsible for it. In some cases, and especially in my own case, I had a certain mandate from my people, and whether my personal views coincided with the mandate or not, still I had to carry out that mandate; and I think those who were present at the Conference will bear me out that I put the case of the North West Frontier Province fully and clearly before the Conference.

Sir, my attention was drawn to a speech made this morning in this House to which reference was made by my friend Dr. Suhrawardy. I am sorry I was not present when this speech was made; I believe it was

[Sir Sahibzada Abdul Qaiyum.]

made by a new comer, so I should like to take this opportunity of informing the Honourable Member that the whole delegation from British India, or rather the whole of India, were not of the opinion which he, I hear, expressed this morning with reference to the rights of the North West Frontier Province for constitutional advance. The case of the North West Frontier Province was not considered from the point of view of policy to which, I hear, he referred. It was placed before the Conference as a matter of right and was based on the broad principles of fundamental political and civil rights, and that was the view which was taken by the Conference of the case. The Honourable Member should remember that there are Provinces where the Mussalmans are in the same position as the non-Mussalmans in the North West Frontier Province, so the position of a minority cannot be any strong argument against the introduction of reforms in a Province. Our case was really based on our fitness, educationally, intellectually and socially for reforms as part and parcel of India. The claim was well scrutinised and I was glad to see that not a single dissentient voice rose from the side of the Indian delegates against our attaining the full measure of reforms and rights of citizenship which were being enjoyed by the rest of India. If certain differential features were introduced into the Sub-Committee's Report, those were to be of a temporary nature, and I am sure that they will all automatically disappear after a short-time. If it is doubted whether people with no experience of reforms in the past will be able to fulfil those responsibilities satisfactorily or not, I can only refer to the state of affairs in the tribal areas where the Pathans are living side by side with the small minority of non-Muslims, who entirely depend on the attitude and treatment of the overwhelming majority of these Pathans. Are the minorities not quite safe there? You will never be able to quote a single instance where non-Muslims have been treated shabbily or badly by that overwhelming majority. There may have been cases in the settled districts of disputes and quarrels between Muslims and non-Muslims, but these cases are generally amicably settled, unlike such disputes in other parts of India, where to my knowledge no case can be quoted of such communal disputes being settled amicably. I can at least say this much that we hope to be able to work out these reforms, better than Benares Katarpur, etc., where people were burnt alive. I assure the Honourable Member—I am sorry I do not know him personally—that we shall never prove to be of the Katarpur calibre, but will be more docile and more reasonable and more just to our neighbours as we have been in the past, especially in the trans-border area, where the protection of life and property rests entirely with our people there. Sir, I do not wish to bring this question of communal troubles before this House because only recently i.e., last week, the N. W. F. P. received the united support, sympathy and good will of all the elected members of this House, both Hindus and Muslims, over an adjournment motion on its behalf and that ought to be enough to satisfy the new comer that, after long experience and long long debates over the question of the introduction of reforms in the North West Frontier Province, the House was convinced that our people were as fit for reforms as the people of any other part of India, perhaps fitter than certain parts of India.

Dr. Ziauddin Ahmad: On a point of order, Sir. Half the time has been taken away by the Members of the Round Table Conference either

in praising themselves or in defending their conduct. May I ask the Honourable the Leader of the House to give one more day to discuss such an important question as the Round Table Conference.

Mr. President: I thought the Honourable Member was rising to a point of order. The Honourable Member must remember that Members of the Round Table Conference are Members of the Assembly (Hear, hear), and as Members of the Assembly they took part in the debate and were limited in point of time to the same extent as other Honourable Members. There is no point of order.

Dr. Ziauddin Ahmad: I made a request to extend the time for debate by one day.

Mr. President: That is not a point of order. I should like to point out to Honourable Members that it is now five minutes to five, and I think the debate has gone on sufficiently long, but if Honourable Members wish to sit till a later hour I will raise no objection. I think however that the House looks tired and may like that I should put the motion to the vote. I should like to know definitely what the wishes of the House are. I will repeat that I am perfectly prepared to sit to a later hour if Honourable Members still wish to continue the debate.

Sir Hari Singh Gour: I think the motion is not to be put to the vote of the House. I think the Leader of the House has simply asked, as it was done in the case of the Public Accounts Committee, that the Parliamentary papers be taken into consideration, and the proceedings, I suppose, will now be sent to the proper quarters for consideration.

Mr. President: The procedure laid down in the Rules and Standing Orders is that if a motion is placed before the House and is debated, one of two courses is open, namely, that the motion is either withdrawn or put to the vote.

The Honourable Sir George Rainy: There is a third alternative open to the Chair. The Chair can adjourn the House before the question is put.

Diwan Bahadur A. Ramaswami Mudaliar: On the other question that has been raised regarding sitting till a later hour, I know that there is a very intense desire on the part of some Honourable Members to take part in the debate. If we can sit till six o'clock, I think, it would be doing justice to those Members. (Hear, hear.)

Mr. President: I should like to know what is the general sense of the House. Individuals may desire to sit till six o'clock. I, for one, will bow to any general desire that may be expressed in the House.

Some Honourable Members: Six o'clock.

Some Honourable Members: Half Past Five.

Mr. President: What is your wish? I find it difficult to ascertain.

Some Honourable Members: Six o'clock.

Diwan Bahadur T. Rangachariar: You can ask those who desire to speak to stand in their places. If there are a large number of Members, I think we may agree to sit longer.

Sir Hari Singh Gour: I think the best thing would be to sit till half past five and see whether the number of speakers is not exhausted.

Mr. President: In that case, we can only have three more speakers.

Sir Hari Singh Gour: I think so.

Mr. President: The number is much larger.

Mr. Muhammad Yamin Khan: We can continue till half past five.

Mr. President: I find that the House is divided on the point. I will not therefore sit later than the usual hour, that is five o'clock. The House will now adjourn.

The Assembly then adjourned till Eleven of the Clock on Monday, the 9th March, 1931.



LEGISLATIVE ASSEMBLY.

Monday, 9th March, 1931.

The Assembly met in the Assembly Chamber of the Council House at Eleven of the Clock, Mr. President in the Chair.

MEMBER SWORN :

Mr. Girja Shankar Bajpai. C.I.E., O.B.E., M.L.A. (Government of India : Nominated Official).

QUESTIONS AND ANSWERS.

RENT CHARGED TO THE POSTS AND TELEGRAPHS DEPARTMENT FOR ACCOMMODATION IN THE SECRETARIAT IN NEW DELHI.

853. *Mr. S. C. Mitra: (a) Is it a fact that rent is realised for the portion of the building in the Secretariat occupied by the office of the Director General, Posts and Telegraphs? If so, what amount has been realised during each of the years since 1926 and what amount has now been fixed?

(b) Is it a fact that the full cost of the furniture supplied to that office on coming to Delhi was also realised? If so, what is that amount? Will Government please state whether such cost was realised from other Departments and attached offices of the Government of India? If not, why not?

(c) Is it because the Posts and Telegraphs Department is treated as a commercial concern of the Government of India that the Director-General's office is liable to pay rent for accommodation it occupies and was made to pay the cost of furniture also?

(d) Is it a fact that in this manner a portion of the revenue of the Posts and Telegraphs Department is being regularly absorbed in the general revenue?

(e) How is it that Government have allowed this drain on the Posts and Telegraphs revenue?

Mr. J. A. Shillidy: (a) Yes. No rent was paid to the Public Works Department, for the period before the 1st April, 1929. For the year 1929-30, the Central Accounts Office, Public Works Department, New Delhi, was asked to accept the debit of Rs. 82,226. This excludes debit of Rs. 860 on account of rent of flats. The rent for the year 1930-31 still remains unadjusted.

(b) The full cost of the furniture supplied to the office has been realised. The cost of the furniture was Rs. 56,000. The cost of furniture has been, or will be, recovered from other commercial Departments of the Government of India.

(c) The answer is in the affirmative.

(d) and (e). The practice is in accordance with the principles of commercial accounting.

DEBIT AGAINST THE POSTS AND TELEGRAPHS DEPARTMENT OF THE COST OF POSTS AND TELEGRAPHS AUDIT OFFICES.

854. ***Mr. S. C. Mitra:** (a) Is it a fact that the cost of the Posts and Telegraphs Audit offices are paid by the Posts and Telegraphs Department?

(b) If so, what amount has thus been spent during each of the last ten years, what amount will be required during the current year and what amount has been budgetted for the next year?

(c) What other Departments and offices under the Central Government thus pay the cost of their Audit offices? If all the Departments, or at least the majority of them, do not pay will Government be pleased to say which of the Departments pay and which not? And why is such cost debited to the Posts and Telegraphs Department?

(d) Are Government prepared to consider the question of sparing the department from this expenditure?

The Honourable Sir George Schuster: (a) Yes.

(b) A statement is laid on the table.

(c) Commercial Departments, for example, Railways, Northern India Salt Manufacturing Branch and the Lighthouses and Lightships Departments, are charged with the cost of audit, while service Departments are not. The Posts and Telegraphs Department being a commercial Department is charged like other commercial Departments with the cost of audit in order to show the true financial results of the working of such Departments.

(d) As stated in my Budget speech, a committee is now sitting for the purpose of examining the present system of Posts and Telegraphs accounts. The committee will presumably not overlook the fact that the cost of audit is charged to the Department. As the charge on Government revenues would remain whether debited to the Posts and Telegraphs Department or not, the change suggested by the Honourable Member would not in itself justify a sacrifice of revenue.

Actuals	1920-21	23,68	thousands.
	1921-22	24,98	„
	1922-23	26,21	„
	1923-24	25,04	„
	1924-25	27,07	„
	1925-26	30,38	„
	1926-27	32,40	„
	1927-28	32,52	„
	1928-29	33,98	„
	1929-30	35,13	„
Revised Estimate	1930-31	36,64	„
Budget Estimate	1931-32	36,20	„

ACTION TAKEN ON THE MEMORIAL OF THE CLERICAL STAFF OF THE OFFICE OF THE DIRECTOR GENERAL OF POSTS AND TELEGRAPHS.

855. ***Mr. S. C. Mitra:** (a) With reference to the supplementary question asked by Dr. Nandlall on the Honourable Member's reply to starred question No. 308, in the Assembly on the 18th July, 1930, will Government be pleased to say:

(1) why they had refused to grant the concession prayed for by the ministerial staff of the office of the Director General, Posts and Telegraphs;

- (2) what was the actual policy which prompted Government first (i) to refuse the grant of a certain concession to the staff; then (ii) to withhold the identical memorials of the staff addressed to the Secretary of State and then again (iii) to improve the pay of the same memorialists?

(b) Will Government please state whether Government decided to withhold the identical memorials of the staff after Government arrived at a decision to take steps towards improving the pay of the same staff themselves and without intervention from the Secretary of State?

(c) If so, will Government be pleased to say whether Government granted all the prayers of the staff made in their identical memorials addressed to the Secretary of State? If not, why not?

Mr. J. A. Shillidy: (a) (1). On a consideration of the merits of the case Government did not consider that the grant of the concessions asked for was justified.

(2) The reply to the first part of this question is given in my reply to part (1) above. As regards the second part, the memorials were withheld under the general rules governing the submission of memorials. As regards the third part, the pay of the memorialists was improved on the office of the Director-General being declared an attached office of the Government of India.

(b) No. The memorials were withheld in June, 1929, and the grant to the staff in question of the same scales of pay as are ordinarily admissible in the attached offices of the Government of India was ordered in April, 1930, without any intervention from the Secretary of State. The two cases are quite independent of each other.

(c) Does not arise.

ANNUAL INCREMENTS OF PAY OF THE MINISTERIAL STAFF OF THE OFFICE OF THE DIRECTOR GENERAL OF POSTS AND TELEGRAPHS.

856. ***Mr. S. C. Mitra:** With reference to reply to parts (a) and (b) of starred question No. 312 in this Assembly on the 18th July, 1930, will Government be pleased now to say:

- (a) (if the facts are substantially correct) what steps do they propose to take to ensure the ministerial staff concerned of the office of the Director General, Posts and Telegraphs, getting their annual regular increments in the ordinary course and in the same way as the staff of other offices of the Government of India under the Fundamental Rules;
- (b) whether the staff of any other offices of the Government of India in New Delhi have similarly been deprived of their annual increments for so long a period as a result of the revision of their scale of pay;
- (c) if not, why a handful of the staff of the office of the Director General, Posts and Telegraphs, should thus be made to suffer?

Mr. H. A. Sams: (a) The officials are actually getting their annual increments in the usual course, although these increases in their substantive pay are being set off against their existing personal pay in accordance with rule 37 of the Fundamental Rules.

(b) and (c). Do not arise in view of the reply to part (a). • •

**REVISED PAY OF THE MINISTERIAL STAFF OF THE OFFICE OF THE DIRECTOR
GENERAL OF POSTS AND TELEGRAPHS.**

857. ***Mr. S. C. Mitra:** (a) With reference to reply to parts (a) and (b) of starred question No. 310 in the Assembly on the 18th July, 1930, in which it was said by Government that the revision of the pay of the ministerial staff of the office of the Director General, Posts and Telegraphs, was not for the benefit of the future incumbents, will Government be pleased to say now what actual monetary and prospective benefit was derived by the staff by the revision when the practice is, as has been defined by Government in reply to part (f) of starred question No. 312 in the Assembly on the 18th July, 1930?

(b) Will Government be pleased to lay on the table, in this connection, a statement showing the actual monetary benefit derived by assistants and clerks of that office on service ranging from 10 to 30 years by the said revision and showing also the pay fixed for each as a result of the Government sanction on the recommendation of the Booth Committee in 1921?

(c) Will Government also place on the table another statement showing the actual pay drawn by the clerical staff of the Railway Board, Director General, Indian Medical Service, Auditor General, Military Accountant General and Accountant General, Central Revenues, in similar services ranging from 10 to 30 years?

Mr. J. A. Shillidy: (a) If the Honourable Member will kindly peruse the question and the replies to which he refers he will find that the statement which he attributes to Government was not in fact made.

As regards the second part of part (a) of the present question and also parts (b) and (c), no information is readily available and Government do not consider that the expenditure of time and labour involved in working out the figures could be justified by the public interest of the result.

**DEPUTATION TO THE OFFICE OF THE DIRECTOR GENERAL OF POSTS AND
TELEGRAPHS OF MR. J. P. GANGULI.**

858. ***Mr. S. C. Mitra:** (a) Will Government be pleased to say [if the fact was not as stated at part (a) of starred question No. 309 asked in this Assembly on the 18th July, 1930], what is the actual fact about Mr. J. P. Ganguli's deputation to the office of the Director General, Posts and Telegraphs?

(b) Is it a fact that Mr. Ganguli had been twice deputed to that office? If so, for how long each time and on what special terms of reference was he deputed?

(c) What amount of special allowance per month, excluding his substantive pay, was granted to him for the periods of his deputation and what amount of travelling allowance was drawn by him?

(d) Is it a fact that simply to protect Mr. Ganguli and just to prevent his reversion to his substantive appointment when he was officiating in a higher one he was sent as special officer to the Director General's office each time?

. **Mr. H. A. Sams:** (a) Consequent on changes in the organisation of the office in April, 1928, it was found necessary to make a detailed review of the staff employed in the various branches and Rai Bahadur J. P. Ganguli was deputed to carry out that review.

(b) Yes. For 12 days only on the first occasion and for about a month on the second occasion. On the first occasion in 1925, his special duty comprised an examination of the then existing organisation of the office and the submission of proposals relating to Central Budget and Establishment Branches. His special duty on the second occasion in 1928 is described in part (a) above.

(c) He was allowed to draw a consolidated pay of Rs. 1,500 a month which included his substantive pay of Rs. 1,250. He drew travelling allowance at the rates admissible under the rules for officers of his class. Information of the actual amount of travelling allowance drawn by him is not readily available.

(d) No.

REDUCTION OF STAFF IN THE OFFICE OF THE DIRECTOR GENERAL OF POSTS AND TELEGRAPHS.

859. ***Mr. S. C. Mitra:** (a) With reference to reply to part (b) of starred question No. 309 in the Assembly on the 18th July, 1930, will Government be pleased to say how it was that the reduction of the staff of the office of the Director General, Posts and Telegraphs, was proposed by Mr. J. P. Ganguli without reduction of work?

(b) How did Government accept such a proposal for reduction of staff without reduction of work proportionately?

(c) Is this the accepted principle that reduction of staff can be effected in the Government of India offices without reduction of work?

(d) Was this principle followed in any other offices of the Government of India—Secretariat or Attached Offices? If so, what are those offices? If not, was this principle followed only in the case of the office of the Director General, Posts and Telegraphs?

(e) Will Government be pleased to say in this connection whether there was surplus staff in that office even after the reduction made as a result of the recommendation of the Booth Committee?

(f) If so, who is responsible for maintaining that surplus staff so long?

Mr. H. A. Sams: (a) The reduction proposed by Rai Bahadur J. P. Ganguli was the outcome partly of the reorganisation of the office carried out in April, 1928, leading to a complete fusion of the working of the Telegraph and Postal Sides, partly of the introduction of more efficient methods of procedure and partly to a considerable further delegation of powers to Heads of Circles in December 1927. As a result the staff was found to be in excess of the actual requirements.

(b), (c) and (d). Do not arise in view of the reply to part (a).

(e) No.

(f) Does not arise.

REDUCTION OF STAFF IN THE OFFICE OF THE DIRECTOR GENERAL OF POSTS AND TELEGRAPHS.

860. ***Mr. S. C. Mitra:** Are the Assembly to understand from the reply "No" to part (a) of starred question No. 284 in this House on the 3rd February, 1931, that the work of the Posts and Telegraphs Department has not grown and that therefore reduction of the ministerial staff can be made at any time whenever Government think it necessary?

Mr. J. A. Shillidy: The deduction from the previous reply referred to by the Honourable Member is not correct. The work of the Posts and Telegraphs Department has grown very considerably during the last few years but not on account of the activities specifically mentioned in the Honourable Member's previous question.

GRANT OF LOCAL HOLIDAYS TO THE STAFF OF THE OFFICE OF THE DIRECTOR GENERAL OF POSTS AND TELEGRAPHS.

861. ***Mr. S. C. Mitra** (a) Will Government be pleased to say whether local holidays are granted to the staff of the office of the Director General, Posts and Telegraphs, according to the notification of the Chief Commissioner of Delhi and if not, why not? Is that office permanently located here?

(b) Is it a fact that in case of permanently located offices in New Delhi like the Director General of Posts and Telegraphs' office the Chief Commissioner's notification is followed?

(c) Do Government propose to see that complaints of this kind in respect of the Director General's office staff are obviated and do not exist in future?

Mr. J. A. Shillidy: (a) Before 1st April, 1930, the rules of the Government of India were in force in granting holidays to the staff of the Director-General's office. From that date the Director-General's office became an Attached Office and holidays were granted to the staff of the office in accordance with the Notification of the Chief Commissioner, Delhi. As however it was found most inconvenient for the disposal of urgent work during the Delhi season, largely in connection with preparation of replies to questions asked by Honourable Members of the Legislature, it was found necessary to return to the practice followed before the 1st April, 1930. The reply to the last part of the question is in the affirmative.

(b) I have no information.

(c) The Honourable Member is referred to what I have said in reply to part (a).

EXAMINATIONS HELD BY THE PUBLIC SERVICE COMMISSION.

862. ***Shaikh Fazal Haq Piracha:** Will Government be pleased to state:

(a) for how many vacant posts of First and Second Division clerks, routine clerks and typists in the Government of India ministerial service, was the competitive examination held by the Public Service Commission on the 23rd and 24th February, 1931;

(b) what was the total number of applicants for the above examination; how many of the applicants are B.As., B.A., I.L.Bs., M.As., and M.A., I.L.Bs.?

- (c) what amount of money has been realized by Government as admission fee deposited by the applicants while submitting their applications;
- (d) how many of the applications were rejected and on what basis; whether the admission fee was refunded to the rejected applicants;
- (e) what is the total amount of examination fees realised by Government from the admitted candidates;
- (f) what are the Chief items of expenditure for the said competitive examination, and what is the estimated expenditure under different items;
- (g) whether any saving is expected by Government out of the sum realised from the applicants and the candidates for the said examination after deducting the expenditure incurred in holding the examination; and
- (h) in the spirit of the above questions how much saving is annually made by Government in holding various competitive examinations through the Public Service Commission?

The Honourable Sir James Orerar: (a) Three places in each of the 1st and 2nd Divisions of the Secretariat; and 48 places in the typists and routine clerks Division in the Secretariat and Attached Offices.

(b) There were 1,184 applicants of whom 365 were B.As., 22 B.A., LL.Bs., 53 M.As. and 6 M.A., LL.Bs.

(c) Rs. 5,900.

(d) The applications of 81 men were rejected as they did not fulfil either the age or educational qualifications laid down for the examination. Their admission fees were not refunded. In the Press Communiqué issued by the Public Service Commission on the 16th October, 1930, of which a copy is laid on the table, it was clearly stated that fees would not be refunded.

(e) Rs. 17,400.

	Rs.
(f) and (g)—	
Fees for setting papers and for correcting scripts	3,400
Supervision and invigilation charges	637
Miscellaneous expenses	1,800
	<hr/>
The total expenditure is	5,837
	<hr/>

Expenditure is, however, also incurred on other heads such as the printing of forms, question papers, etc.; the services of the Commission and its permanent staff in connection with this examination, which cannot easily be estimated. These charges are not included in the total given above. A net saving is expected.

(h) For the reasons given above, it is not possible to make an accurate estimate, but on the whole, the Public Service Commission estimate that they effect a saving on the competitive examinations.

PUBLIC SERVICE COMMISSION (INDIA).

Press Communiqué.

Examinations, the exact date of which will be announced later, will be held by the Public Service Commission in February 1931, (A) for First and Second Division clerkships in the Secretariat, (B) for clerkships in the Typist and Routine grade of the Secretariat and Attached Offices. The places available will be not less than :

- (1) 3 places in the First Division of the Secretariat.
- (2) 3 places in the Second Division of the Secretariat.
- (3) 48 places for posts of Typist and Routine clerks in the Secretariat and Attached Offices.

Two vacancies in the first category will be filled by open competition and one by a Muslim.

In the second category 2 places will be filled by open competition and one will be reserved for minority communities.

In the third category not less than 18 (15 Muslims, and 3 other minority communities) of the total, are to be filled by members of particular communities and not less than 6 of the vacancies will be for lady clerks.

It is possible that further vacancies may occur later.

Appointments to the above posts will be made on or before the 30th September 1931. The Head of the Department shall be at liberty to decide the order in which vacancies shall be filled as between minority candidates and others. Subject to this, successful candidates at the examination for Divisions I and II, and the Routine and Typists grade, will be offered posts in order of merit as vacancies occur, and posts reserved for candidates of a minority community will be offered to the successful candidates of that community in order of merit, provided that in each case the Public Service Commission are satisfied that the successful candidate is suitable in all respects for employment in the Ministerial Establishment of the Government of India.

Conditions applicable to both examinations.

1. Applications to appear at either of the examinations must be made on the printed form which can be obtained from the Secretary, Public Service Commission, Metcalfe House, Delhi. Candidates must send in a request for these forms to the Public Service Commission not later than 15th November 1930. They will be issued to candidates after that date.

2. A candidate must forward with his or her Application Form (a) documentary evidence of age (b) certificates of good character (particulars concerning these will be found in the Application Form), and (c) a certified copy of his or her qualifications as prescribed in the following rules.

3. Fees must be paid into a Government Treasury and a Chalan for the amount of the fee must be sent to the Secretary, Public Service Commission. No claim for a refund of any fee paid will be entertained.

4. The examinations will probably be held at the following centres :

Bombay, Calcutta, Delhi, Madras and Simla.

The maximum number of candidates to be admitted to either examination at any centre may, in the discretion of the Public Service Commission, be limited to such number, not being less than 100, as they may decide. If a limit is imposed the Public Service Commission will cause to be selected from among the applicants those who shall be admitted to the examination and in so doing will have regard to the representation of communities.

5. The Public Service Commission may, if they think it desirable, determine what shall be the qualifying marks in all or any of the subjects of examination.

Examination for 1st and 2nd Division Clerkships.

6. Candidates must not be less than 22 years and not more than 24 years of age on the 1st November, 1930, and must either have passed the Cambridge School Certificate Examination or be graduates of a University incorporated by an Act of the Central or a Provincial Legislature in India or be graduates of the Mysore or the Omania University.

7. The subjects of examination, the marks allotted and the time allowed for each subject will be as follows :

(a) *Arithmetic*.—Time one hour. Marks 100.

The questions will be designed to test intelligence, accuracy and rapidity in working.

(b) *Handwriting*.—Time 20 minutes. Marks 100.

Candidates will be required to copy a passage printed in English. Marks will be awarded for accuracy, legibility, neatness and speed. If a candidate is unable to copy the whole of the passage a deduction of marks will be made in proportion to the shortage.

(c) *General Knowledge*.—Time one hour. Marks 150.

Candidates will be required to give brief answers to questions concerning current events, common phenomena and matters of everyday interest or common knowledge.

(d) *English Composition*.—Time one hour. Marks 150.

Candidates will be tested in one or more of the following :

(i) Drafting.

(ii) Precis writing.

(iii) Correcting mistakes in English.

(iv) Proof correcting.

The tests will be of a high standard.

8. The candidates will be arranged in order of merit, on the result of the examination.

9. The fee for the examination will be Rs. 20 payable as follows :

A Treasury Chalan for Rs. 5 must be forwarded with the application, and a Treasury Chalan for Rs. 15 must be forwarded after receipt of the Admission Card.

Examination for Typists and Routine Clerks.

10. Candidates must be not less than 20 years and not more than 24 years of age on the 1st November 1930, and must have passed the Junior Cambridge Local Examination or the Matriculation Examination of an Indian University (*vide* paragraph 6) or in the case of a University which has no Matriculation Examination an equivalent examination.

11. The subjects of examination, the marks allotted and the time allowed for each subject will be as follows :

(a) *Arithmetic*.—Time 1 hour. Marks 100.

(b) *Handwriting*.—Time 20 minutes. Marks 100.

(c) *General Knowledge*.—Time 1 hour. Marks 150.

(d) *English Composition*.—Time 1 hour. Marks 150.

The papers in all these subjects will be similar in character to those in the same subjects at the examination for 1st and 2nd Division clerkships, but will be of a lower standard.

12. The examination will be held on the first working day immediately following the close of the examination for 1st and 2nd Division clerkships.

13. A test in typewriting will be held at a subsequent date for those candidates whose performance at the written examination justifies their admission to this test. The test will be severe and no candidate will be appointed who does not satisfy it.

14. Candidates who have satisfied this test will be arranged in order of merit on the result of the examination.

15. The fee for the examination will be Rs. 15 payable as follows :

Treasury Chalan for Rs. 5 must be forwarded with the application and a Treasury Chalan for Rs. 10 must be forwarded after receipt of the Admission Card.

16. Candidates who wish to take both the above-mentioned examinations will, if qualified, be admitted to both for a fee of Rs. 5 on application for admission and Rs. 25 on admission.

A. G. DIX.

Secretary, Public Service Commission.

SIMLA;

The 16th October, 1930.

REPLY TO QUESTION *RE* TREATMENT OF PRISONERS OF THE NORTH WEST FRONTIER PROVINCE.

863. ***Dr. Ziauddin Ahmad:** With reference to starred questions Nos. 655 and 656 asked on the 23rd February, 1931, will Government be pleased to communicate the result of their enquiry to the House, and not send the reply privately to Seth Haji Abdoola Haroon?

The Honourable Sir James Orerar: Yes. On receipt of the information the replies will be made available to the House.

ALLEGED ANTI-MUSLIM POLICY IN THE RAILWAY CLEARING ACCOUNTS OFFICE, NEW DELHI.

864. ***Dr. Ziauddin Ahmad:** Will Government be pleased to lay on the table all papers about the inquiry mentioned in the reply to starred question No. 653(k), asked on the 23rd February, 1931?

Mr. A. A. L. Parsons: As no enquiry is mentioned in the reply to part (k) I presume the Honourable Member refers to part (c) of question No. 653 by Seth Haji Abdoola Haroon. If so, I would invite his attention to my reply to part (m) of the same question.

REPRESENTATION OF MUSLIMS IN THE PAY AND ACCOUNTS OFFICE, NEW DELHI.

865. ***Lieut. Nawab Muhammad Ibrahim Ali Khan:** (a) Will Government be pleased to state the number of Hindus, Muhammadans and Christians working in the office of the Pay and Accounts Officer, Government of India, New Delhi?

(b) Is it a fact that there is only one Muhammadan working in that office?

(c) Will Government be pleased to state what special attention they have paid to the representation of Muslims in that office?

The Honourable Sir George Schuster: (a) 41 Hindus, 6 Muhammadans and 1 Christian in superior service.

(b) No.

(c) The instructions regarding the representation of minority communities are being strictly followed.

APPOINTMENT OF MUSLIMS IN THE FINANCE DEPARTMENT.

866. ***Lieut. Nawab Muhammad Ibrahim Ali Khan:** (a) Will Government be pleased to state the number of Hindus, Christians and Muslims in the establishment of the officer on Special Duty, Finance Department?

(b) Is it a fact that not a single Muhammadan is in that branch of the Finance Department?

(c) If the reply to the above questions is in the affirmative, will Government be pleased to state what steps they have taken to grant their due share to the Muhammadans in the above-mentioned branch of the Finance Department?

The Honourable Sir George Schuster: (a) 4 Hindus, 1 Christian and no Muhammadan clerks.

(b) Yes.

(c) It is difficult to arrange for the representation of minorities when the total strength is so small.

CLASSIFICATION OF SWEEPERS AND UNTOUCHABLES FOR THE CENSUS.

867. ***Lieut. Nawab Muhammad Ibrahim Ali Khan:** (a) Is it a fact that Government have issued instructions to the effect that the sweepers and untouchables should be entered as Hindus in the census papers, if they do not like to call themselves Muslims or Christians?

(b) Has the attention of Government been drawn to the Ad Hindu Achhute Sabha's strong protest against their being entered as Hindus and to the fact that they are desirous of having themselves described as Achhutes or Ad-Dharmis; as well as to the articles in the Press on their behalf to the same effect?

(c) Will Government be pleased to state the reasons, why they are to be entered as Hindus, when they desire to be entered as Ad-Dharmis?

The Honourable Sir James Crerar: (a) No.

(b) Yes.

(c) Persons desirous of being recorded as Ad-Dharmis have been so recorded.

OUTLAY ON NEW DELHI AND COST OF ITS MAINTENANCE.

868. ***Sirdar Sohan Singh:** Will Government be pleased to state:

(a) the total outlay on New Delhi to the end of 1930-31;

(b) the total maintenance charges of the Government buildings including roads, electric installations and gardens;

(c) the total cost of the Public Works Department establishment in charge of New Delhi, including all the officers on special duty; and

(d) the total income by way of rents of Government buildings?

Mr. J. A. Shillidy: (a) The total outlay on New Delhi to the end of December, 1930, is Rs. 14,46,72,000.

(b) The expenditure during 1929-30 on the maintenance of Government buildings in Delhi was Rs. 19,33,000.

(c) The cost of the Public Works Department establishment employed in connection with all Central Public Works Department works during 1929-30 amounted to Rs. 17,40,000, which includes a sum of Rs. 1,51,000 on account of payments to the architects.

(d) The total receipts during 1929-30 on account of rents of Government buildings amounted to Rs. 7,85,000.

COST OF THE WAR MEMORIAL ARCH IN NEW DELHI AND OF THE FIRE THEREON.

869. ***Sirdar Sohan Singh:** Will Government be pleased to state:

- (a) the total cost of the Indian War Memorial Arch with adjoining fountains;
- (b) the annual cost of its maintenance;
- (c) the annual cost of the fire on the arch being kept burning day and night; and
- (d) whether some other cheaper method of keeping the fire burning could not be adopted?

Mr. J. A. Shillidy: (a) Rs. 7,50,000.

(b) The estimated annual cost of maintenance is Rs. 4,000.

(c) It is not intended to maintain the fire continuously lit but only to light it on a few days during the year. The minimum cost of maintaining the fire alight is Rs. 27 per diem.

(d) No.

REDUCTION OF RAILWAY STAFF.

870. ***Sirdar Sohan Singh:** (a) Will Government state the total number of men on the Railways who are likely to be brought under retrenchment and the total number of such whose wages are below fifty rupees a month?

(b) Will Government state whether they have examined the alternative policy to reductions of staff, namely retrenchment in administrative costs? If so, what are the conclusions arrived at by them?

Mr. A. A. L. Parsons: (a) and (b). The extent to which economies can be effected on railways by the abolition of posts is under active and continuous examination by Railway Administrations and retrenchments are ordered only when the Administration is satisfied that posts are in excess of requirements. The examination is extended to all classes and grades of establishments, and administrative posts, which are surplus to requirements, will also be brought under reduction.

Until the investigations, which are being made by Railway Administrations, have advanced much further, it is not possible for Government to supply the information asked for by the Honourable Member in part (a) of his question.

DUTIES OF THE RAILWAY MEMBER OF THE RAILWAY BOARD.

871. ***Sirdar Sohan Singh:** Will Government please state precisely the duties of the Labour Member of the Railway Board and what powers of patronage are possessed by him?

Mr. A. A. L. Parsons: The Honourable Member is presumably referring to the Member Staff Duties, who deals with all matters affecting staff including labour. A clear idea of the work devolving on this Member will be obtained from the Memorandum reviewing the work done by the Railway Board in staff and labour questions from April, 1929, to January, 1931, which was recently distributed to all Members of this House. He possesses no powers of patronage.

**CONSULTATION OF THE RAILWAYMEN'S UNION ON THE POLICY OF
RETRENCHMENT.**

872. ***Sirdar Sohan Singh:** Will Government please state whether the Railwaymen's Unions have been consulted in regard to the policy of retrenchment and, if so, with what result?

Mr. A. A. L. Parsons: No: but the Railway Board have instructed the Agents of the State-managed railways that "in any instance when it is proposed at one time to effect a comparatively large reduction of staff, say, 100 employees or more, the recognised trade union representing the interests of such employees should be informed as early as possible" of the proposal with a general statement of the reasons for the intended reduction. A copy of these instructions was sent to the Agents of the Company-managed railways.

**APPOINTMENT OF A MUSLIM ON THE CLERICAL STAFF OF THE IMPERIAL
LIBRARY, CALCUTTA.**

873. ***Mr. Muhammad Anwar-ul-Azim** (on behalf of Mr. Abdul Matin Chaudhury): (a) Is it a fact that the post of a permanent clerk has fallen vacant in the Imperial Library owing to the recent death of a permanent member of its staff?

(b) Is it a fact that there are only two permanent Muslims as against thirteen Hindus on the clerical staff of the Imperial Library?

(c) If the answer to part (b) is in the affirmative, will Government be pleased to state what steps do they propose to take in order to give the Muslims their due share on the staff of the Imperial Library and fill the vacancy referred to in part (a) by appointing a Muslim?

The Honourable Khan Bahadur Mian Sir Fazl-i-Husain: (a) Government have no information, but have called for it.

(b) Yes.

(c) The matter will be brought to the notice of the Council of the Imperial Library.

RATE OF INTEREST PAID ON THE GENERAL PROVIDENT FUND.

874. ***Sardar G. N. Mujumdar:** Will Government be pleased to state:

(a) the total amount of General Provident Fund lying with Government at the end of March, 1930;

(b) the present rate of interest:

(1) on that Provident Fund, and

(2) on the loans raised by Government during the year 1930;

- (c) whether Government were requested to increase the rate of interest on the said Fund to 6 per cent. ;
- (d) the names of those from whom Government received representations in that connection; and
- (e) the reply given to them?

The Honourable Sir George Schuster: (a) Rs. 17,54.92,150.

- (b) (1). 5 per cent. free of tax.
- (2) 6 per cent. liable to income tax.
- (c) Yes.

(d) and (e). During the past two years Government have received representations regarding the rate of interest on deposits in the General Provident and other Funds from many Service Associations. Government have generally referred in their replies to the fixed formula introduced with their Finance Department Resolution of 10th March, 1930. The formula in question was described in my reply to part (c) of Lieut.-Colonel Gidney's starred question No. 627 on the 17th March, 1930, and a detailed description was published for the information of all concerned on the 6th December, 1930. The publication of full information in this Resolution should serve as a sufficient reply to all recent representations.

SECURITY REQUIRED FROM POST OFFICE AND CURRENCY OFFICE STAFF.

875. *Sardar G. N. Mujumdar: Will Government be pleased to state:

- (a) whether the clerks in the Post and Currency Offices are required to furnish some kind of security;
- (b) if so, whether they are required to deposit cash or furnish fidelity bonds;
- (c) the name of the agency or agencies from which the security bonds are issued;
- (d) the rate of premia charged by these agencies;
- (e) whether the agency or agencies are European;
- (f) if so, whether there is no Indian agency whose rates of premia are lower than those charged by agencies mentioned in part (c);
- (g) whether there is any provision in the by-laws of the Currency Office Co-operative Credit Society to issue such bonds?

Mr. J. A. Shillidy: The replies to the questions are:

- (a) Yes.
- (b) In the case of the Post Office security may take the form of cash, personal security or fidelity bonds.

In Currency Offices the men recruited since 1919 are required to furnish fidelity bonds, those appointed before 1919 can furnish security deposits either in Government promissory notes or in fidelity bonds.

(c) and (d). In the case of the Post Office, Government have no information regarding the names of the agencies employed nor regarding the rates. But a fidelity bond will be accepted from a reliable Insurance Company or from a Postal Co-operative Society, either of whom is approved by the Head of the Circle. In Currency Offices fidelity bonds of any reputable

company doing this class of business will be accepted. The company, to which the business is entrusted, and the rates are settled every year, the policies having a currency of one year at a time.

(c) In the case of the Post Office, Government have no information. In the case of Currency Offices, the agency at present employed is of non-Indian domicile.

(f) In the case of the Post Office, Government have no information. In the case of Currency Offices, no Indian Company has approached the Controller of the Currency for this purpose.

(g) No.

RATE OF INTEREST CHARGED BY GOVERNMENT FROM ITS OWN SERVANTS.

876. ***Sardar G. N. Mujumdar:** Will Government be pleased to state:

(a) whether the rate of interest charged on the moneys of their own servants is much higher than that on the amounts borrowed from outside;

(b) if so, what the reasons are?

The Honourable Sir George Schuster: I regret that I have been unable to understand the precise meaning of the Honourable Member's question, but if he will speak to me, I will endeavour to give him any explanation which he desires.

MILITARY FORCES AND BANDS POSTED AT RAILWAY STATIONS.

877. ***Mr. M. N. Rao:** (a) Will Government be pleased to state, if it is a fact that military forces along with military bands have been posted in every principal railway station?

(b) If the above be a fact, will Government be pleased to state, from what period they have been stationed, for what period they are likely to continue and with what objects and the probable cost of their maintenance?

Mr. G. M. Young: (a) No, Sir.

(b) Does not arise.

RECONSTRUCTION OF THE RAILWAY STATION AT FARIDPUR.

878. ***Mr. S. C. Mitra:** (a) Are Government aware that His Excellency the Governor of Bengal in July, 1929, was pleased to say about the Railway Station at Faridpur: "As regards the Railway Station, it appears to be generally admitted that the present station is unsuitable for such an important district town as Faridpur. My Government have approached the Railway authorities in this matter and it has now been agreed that a station should be erected on a new site and funds for this purpose are being provided for in the Budget of 1930-31"?

(b) Will Government please state if any provision has been made in the Budget for the purpose? If not, why not?

(c) Is it not a fact that numerous petitions have been submitted during the last 15 years for better accommodation and change of site of the temporary Railway Station at Faridpur, which is now two miles away from the town and outside the Municipal area?

(d) Is it a fact that the station consists of a Booking Office $19\frac{1}{2}' \times 7\frac{1}{2}'$ and $7\frac{1}{2}'$ high, with one small window and one door and a Station Master's room in a thatched house measuring $12' \times 12' \times 7\frac{1}{2}'$?

(e) Is it a fact that the average annual income of this Station is about Rs. 4,50,000 against an expenditure of about Rs. 35,000 and even in this year of depression, the income of this station has increased?

(f) When are Government likely to erect a proper station on a new site in the town?

Mr. A. A. L. Parsons: I am making enquiries and a reply will be sent to the Honourable Member as soon as the information has been collected.

RAILWAY FREIGHT CHARGES ON THE NORTH WESTERN RAILWAY.

879. ***Mr. E. F. Sykes:** Will Government please state:

(a) what percentage of increases in freight charges has been made on the North Western Railway for carriage of cotton since 1913;

(b) what percentage of increase has been made on that Railway for transport of

(i) wheat,

(ii) other commodities; and

(c) the percentage of increase or decrease in the prices of cotton and wheat since 1913?

Mr. A. A. L. Parsons: (a) The percentage increase in freight charges on the North Western Railway for cotton, comparing 1913 with 1930, varied according to the stations from and to which traffic was booked. In bookings to Karachi the percentage increase was from 105 to 204, and in bookings from and to other stations from about 85 to 100. The large increases in the raw cotton rates on the North Western Railway are due to the fact that, prior to the War, these rates on the North Western Railway were lower by 34 per cent. or more than the rates on the other principal railways. These rates had been unduly depressed for competitive reasons before the war, and during the war were raised to the level prevailing on the other railways. In 1922, when the rates for goods traffic generally were enhanced on all railways by from 15 to 25 per cent. the rates for cotton were put up by 25 per cent.

(b) (i) The percentage increase in freight charges on the North Western Railway for wheat, comparing 1913 with 1930, varied according to the stations from and to which traffic was booked. In bookings to Karachi the percentage increase was from 20 to 28, and in bookings from and to other stations there has been a decrease in the freight over 800 miles and an increase in the freight over shorter distances, the percentage increases being 11 for 700 miles, 16 for 500 miles, 32 for 300 miles, 37 for 150 miles and 39 for 100 miles.

(ii) The percentage increases in the rates for other commodities vary according to the commodity and the stations from and to which booked. To work out these variations for each such commodity would necessitate a considerable amount of work, but if the Honourable Member will specify which commodities he has in mind, I will see if the information required by him can be obtained.

(c) The average wholesale prices of cotton (M. G. F. G. Broach) and wheat (Punjab-Karachi) during 1930-31 show a decrease of nearly 80 and 20 per cent., respectively, as compared with the corresponding prices of these articles during 1913-14.

MILITARY FORCE ATTACHED TO THE SOUTH INDIAN RAILWAY.

880. ***Mr. B. Rajaram Pandian:** Will Government be pleased to state:

- (a) if there is any military or *quasi*-military force attached to the South Indian Railway;
- (b) if the answer to part (a) is in the affirmative, in what and how many railway stations on the South Indian Railway are they located;
- (c) what is the strength of the force located in each of the railway stations on the said Railway;
- (d) what is the establishment charge of each force; and
- (e) if they have considered the abolition of the said force, in view of the fall in railway earnings; if not, why not?

Mr. G. M. Young: (a) the South Indian Railway, in common with other railways, has an Auxiliary Force unit composed of employees of that railway.

(b) and (c). The headquarters are located at Trichinopoly and have a strength of 590 men. The location and strength of detachments are as follows:

	Men.
Tanjore	47
Villupuram	185
Madras	111
Madura	141
Quilon	56
Podanur	99
Coonoor	31
Calicut	55
Salem	59

(d) The cost of the whole unit is about Rs. 1,70,000 annually.

(e) Government do not propose to abolish the unit. The expenditure is met from Army funds and not from railway earnings.

BAND FOR THE SOUTH INDIAN RAILWAY.

881. ***Mr. B. Rajaram Pandian:** Will Government be pleased to state:

- (a) if there is any band attached to the South Indian Railway Department;
- (b) if the answer to part (a) is in the affirmative, how many bands are there;
- (c) the cost of the establishment; and
- (d) the necessity for such a band?

Mr. G. M. Young: (a) Yes.

(b) One.

(c) and (d). The information has been called for, and will be supplied to the Honourable Member on receipt.

Diwan Bahadur A. Ramaswami Mudaliar: May I inquire why, when the Government do not feel the necessity of abolishing the band, they still want to call for further information?

Mr. G. M. Young: No, Sir; but I thought it as well to inquire about the particular necessity for this band as distinct from the general necessity for bands.

DISPUTES BETWEEN COOLIES AND A JAMADAR AT LAHORE RAILWAY STATION.

882. *Shaikh Sadiq Hasan: Will Government be pleased to state:

- (a) whether the Station Superintendent, Lahore, or other railway officials interfered in the disputes between the coolies at Lahore Railway Station and their Jamadar, during the years 1925 to 1930;
- (b) whether in 1930 the Station Superintendent by his own order dismissed 15 coolies, and whether an enquiry was held previous to the order of dismissal; and
- (c) whether it is a fact that these 15 coolies had made charges of corruption and extortion against the Jamadar; if so, what the charges were?

Mr. A. A. L. Parsons: With your permission, Sir, I will reply to questions Nos. 882 and 883 together. Government have received no information regarding the matters referred to in these questions, but the Agent of the North Western Railway has been asked for a report and I will communicate with the Honourable Member later.

DISPUTES BETWEEN COOLIES AND A JAMADAR AT LAHORE RAILWAY STATION.

†883. *Shaikh Sadiq Hasan: Will Government be pleased to state:

- (a) whether after repeated interference and action in the disputes between the coolies and the Jamadars at Lahore Railway Station, the Divisional Superintendent, Lahore, by his letter dated the 10th December, 1930, has informed the complaining coolies that the Railway Administration were not going to settle differences between the parties; if so, who is to settle the differences; if the Jamadar was in the wrong how are the coolies to obtain redress;
- (b) whether the coolies have, in reply to the letter mentioned above, made representations that the Railway Administration have always been interfering; and that the remarks in the letter of the Divisional Superintendent that the enquiry had been held and that the coolies had failed to produce the documentary evidence in support of their contentions are wrong as they were never called upon to produce evidence;

†For answer to this question, see answer to question No. 882.

- (c) whether the railway authorities have been appointing the Jamadars and have always refused to give the coolies the option to elect a Jamadar of their own choice;
- (d) whether the present Jamadar had previously the loading and unloading contract, and it was taken away from him; if so, for what reasons; and
- (e) what is the total number of coolies engaged at Lahore Railway Station and on what terms?

NON-APPOINTMENT OF AN INDIAN TO A LEAVE VACANCY IN THE POLITICAL DEPARTMENT OF THE NORTH WEST FRONTIER PROVINCE.

884. ***Shaikh Sadiq Hasan:** (a) Will Government be pleased to state the total number of Indian and European officers of the Political Department working in the North West Frontier Province and the length of their services?

(b) How many of these officers, Indians and Europeans separately, have officiated as Political Agents or Deputy Commissioners?

(c) Is it a fact that a junior European officer was brought from another district in the place of Col. Rae when he proceeded on leave while a most senior officer namely K. B. Saadullah Khan, who was working in that District, was not appointed in Col. Rae's place? If so, why?

Mr. J. G. Acheson: (a) and (b). A statement furnishing the required information is laid on the table.

(c) No, Sir. An officer returning from leave was posted to act for Colonel Rae. K. B. Saadullah Khan was at the time holding the appointment of District Judge, Hazara.

Political Officers serving in the North West Frontier Province, in March, 1931.

Europeans.			Indians.		
Total No.	Approximate length of Service rendered in the Political Department.	No. of officers who have held posts of Deputy Commissioners or Political Agent.	Total No.	Approximate length of Service rendered in the Political Department.	No. of officers who have held posts of Deputy Commissioners or Political Agents.
	Years.			Years.	
28	1 officer 26	19	6	1 officer 9	
	2 officers 25 (each)			1 officer 8	
	1 officer 23			1 officer 5	
	2 officers 22 (each)			2 officers 3 (each)	
	2 officers 16 (each)			1 officer 1	
	1 officer 12				
	1 officer 11				
	1 officer 10				
	1 officer 9				
	4 officers 7 (each)				
	3 officers 6 (each)				
	5 officers 5 (each)				
	3 officers 3 (each)				
	1 officer 1				

REPRESENTATION OF MUSLIMS IN THE SUBORDINATE ACCOUNTS SERVICE.

885. ***Shaikh Sadiq Hasan:** Will Government be pleased to state:

- (a) the total number of posts in the Subordinate Accounts Service sanctioned for the offices under the control of the Auditor General;
- (b) how many of these are held by Mussalmans; and
- (c) whether they have considered the advisability of issuing instructions to secure a fair representation of the Mussalmans?

The Honourable Sir George Schuster: With your permission, Sir, I will reply to questions Nos. 885 to 890 together. The information is being collected and enquiries are being made, and a reply will be sent to the Honourable Member as soon as possible.

REPRESENTATION OF MUSLIMS IN ACCOUNTS OFFICES.

†886. ***Shaikh Sadiq Hasan:** Will Government be pleased to state:

- (a) the number of clerical appointments sanctioned for the offices of the Auditor General, Accountant General, Central Revenues, Accountant General, Posts and Telegraphs, Director of Commercial Audit, Pay and Accounts Officer, Secretariat, Pay and Accounts Officer, Delhi Administration and Central Accounts Officer, Public Works Department;
- (b) how many of these are held by Mussalmans; and
- (c) what action has been taken in these offices to secure a fair representation of Mussalmans?

APPOINTMENT OF MUSLIMS AS ASSISTANT ACCOUNTS AND ASSISTANT AUDIT OFFICERS.

†887. ***Shaikh Sadiq Hasan:** Will Government be pleased to state:

- (a) the total number of posts both permanent and temporary of Assistant Accounts and Assistant Audit Officers under the control of the Auditor General in India;
- (b) how many of these posts are held by Mussalmans;
- (c) what action has so far been taken to give effect to Assembly's declared policy that no community should preponderate in any service; and
- (d) what action Government propose to take in the future to ensure proper representation of Mussalmans in the cadre of Assistant Accounts and Assistant Audit Officers?

APPOINTMENT OF MUSLIMS TO THE CLERICAL ESTABLISHMENT OF THE ACCOUNTANT GENERAL, CENTRAL REVENUES.

†888. ***Shaikh Sadiq Hasan:** Will Government be pleased to state:

- (a) whether any examination confined to minority communities was held for recruitment to the clerical establishment of the office of the Accountant General, Central Revenues; if so, when;

†For answer to this question, see answer to question No. 885.

- (b) how many applicants qualified themselves in the examination and
 - how many of these were Mussalmans;
- (c) how many of the Mussalman candidates who qualified themselves have since been appointed;
- (d) if it is a fact that, before all the candidates who qualified themselves at this examination have been absorbed, it is proposed to hold another examination for recruitment which will be open to all communities;
- (e) whether they propose to consider the advisability of instructing the Accountant General, Central Revenues, that Mussalmans who have qualified themselves in the previous examination should be provided with appointments before the candidates
 - qualifying at the second examination are appointed; and
- (f) whether they are prepared to consider the advisability of reserving a certain number of posts for Mussalmans?

†889. ***Shaikh Sadiq Hasan:** Will Government be pleased to state:

- whether any reduction is proposed in the clerical staff of the Accounts and Audit Offices situated in Delhi; and
- whether they have considered the advisability of issuing instructions that the Mussalman members of the staff should be the last to be brought under reduction?

1890. ***Shaikh Sadiq Hasan**: Will Government be pleased to state:

- (a) the total number of posts of the Subordinate Accounts Service sanctioned for the office of the Auditor General, Central Revenues, and for the offices under the control of the Accountant General, Posts and Telegraphs, Director of Army Audit, Officer on Special Duty, Finance Department, and the Director of Commercial Audit;
- (b) the number of Mussalmans holding these posts in the respective cadres; and
- (c) whether Government are prepared to consider the necessity of issuing instructions to secure a proper share of representation for the Mussalmans?

891. ***Shaikh Sadiq Hasan:** Will Government please state the number of officers of each community taken in the Medical Department, North Western Railway, since the organisation of that Department?

Mr. A. A. L. Parsons: The numbers are as follows:

Europeans	2
Hindus	2
Sikhs	1
Muslims	1

†For answer to this question, see answer to question No. 885.

NUMBER OF CLERKS OF EACH COMMUNITY EMPLOYED IN THE OFFICE OF THE CHIEF MEDICAL AND HEALTH OFFICER, NORTH WESTERN RAILWAY.

892. ***Shalkh Sadiq Hasan**: Will Government please state the number of permanent and temporary clerks of each community at present employed in the office of the Chief Medical and Health Officer, North Western Railway?

Mr. A. A. L. Parsons: Government regret that they are not prepared to supplement with figures for particular offices or classes of posts the information in regard to communal representation in Railway Services given in the Annual Administration Report on Indian Railways.

ADMINISTRATION OF THE MAJOR PORTS OF INDIA.

893. ***Sardar G. N. Mujumdar**: Will Government be pleased to place on the table copies of the papers which were placed on the table relating to the replies given to starred questions Nos. 565, 566, 569, 570, 571 and 572, asked on the 30th of August, 1927, in connection with the administration of the major ports of India?

The Honourable Sir George Rainy: No papers were placed on the table in reply to the questions referred to by the Honourable Member. I am, however, forwarding to the Honourable Member copies of the replies to those questions. The Honourable Member will no doubt realise that the information given in those replies is now in certain respects out of date.

PROTECTION OF THE INTERESTS OF PADDY CULTIVATORS.

894. ***Mr. K. P. Thampan**: Will Government be pleased to state:

- (a) the total quantity of rice imported into this country during the last three years;
- (b) the important centres at which rice is imported at present;
- (c) the selling prices of indigenous rice and foreign rice in this country for the last three years; and
- (d) whether Government propose to take any action either by way of a tariff duty or otherwise to protect the interests of paddy cultivators in this country?

The Honourable Khan Bahadur Mian Sir Fazl-i-Husain: (a) The total quantity of rice imported into India during the last three years has been:

Year.	Tons.
1927-28	81,946
1928-29	169,919
1929-30	6,360
April 1930 to January 1931	4,645 (Rice not in the husk).

(b) Madras is the only important centre at which rice is imported at present.

(c) A statement showing the selling prices of indigenous rice in India from April 1927 is laid on the table. Similar information regarding foreign rice is not available, but as I have mentioned in reply to part (a) of the question, the imports of this are at present negligible.

(d) The Government do not, as at present advised, propose to take action in the directions indicated.

(Taken from Indian Trade Journal.)

The selling prices* of indigenous Rice in India during the years 1927-28 to 1929-30 and 1st April, 1930 to 1st March, 1931.

Rice.	April 1927.	July 1927.	October 1927.	Jan'y. 1928.	April 1928.	July 1928.	October 1928.	Jan'y. 1929.	April 1929.	July 1929.	October 1929.	Jan'y. 1930.	October 1930.	Jan'y. 1931.	Feb'y. 1931.	March 1931.
	Rs. a.	Rs. a.	Rs. a.	Rs. a.	Rs. a.	Rs. a.	Rs. a.	Rs. a.	Rs. a.	Rs. a.	Rs. a.	Rs. a.	Rs. a.	Rs. a.	Rs. a.	Rs. a.
Big Mills Specials (Bangoon) per 100 baskets of 75 lbs. each.	450 0	457 8	425 0	398 0	385 0	385 0	422 8	392 8	370 0	435 0	400 0	357 8	327 8	210 0	210 0	165 0
Small Mills Specials (Bangoon) per 100 baskets of 75 lbs. each.	477 8	452 8	445 0	423 8	402 8	415 0	455 0	413 8	400 0	442 8	475 0	370 0	337 8	225 0	222 8	200 0
Seeta No. 1 (Calcutta) per Bengal Maund.	9 8	9 4	9 8	9 0	8 8	7 1	7 10	7 4	7 4	7 3	7 4	6 12	6 4	5 12	5 0	(a) 4 14
Bullam No. 1 (Calcutta) per Bengal Maund.	8 2	8 2	8 4	9 0	7 9	7 4	6 14	6 4	6 6	6 8	7 4	6 8	6 1	6 2	5 2	(a) 3 14

*The figures represent the maximum prices in the first week of each month, but where prices are not available for that week, for the nearest period.
(a) New crop.

Diwan Bahadur T. Rangachariar: With regard to the statement about Madras importing rice, may I know from what part does Madras import rice?

The Honourable Khan Bahadur Mian Sir Fazl-i-Husain: Did you say Madras?

Diwan Bahadur T. Rangachariar: Yes.

The Honourable Khan Bahadur Mian Sir Fazl-i-Husain: I shall have to ask for that information.

Mr. K. P. Thampan: With reference to the answer given to part (d) of my question, can Government think of protecting the rice growers in any other way than by raising the tariff duty?

The Honourable Khan Bahadur Mian Sir Fazl-i-Husain: That is a matter which would require a careful examination.

Mr. K. P. Thampan: Will Government be pleased to make the necessary examination?

The Honourable Khan Bahadur Mian Sir Fazl-i-Husain: Certainly.

REPORT SUPPLIED TO THE MURARKA PAINT AND VARNISH WORKS, LTD.

895. ***Mr. S. O. Mitra:** (a) Is it a fact that in accordance with the suggestion made in reply to starred question No. 173 and the replies to supplementary question thereto on the 16th July, 1930, a representation was made by Messrs. The Murarka Paint and Varnish Works, Ltd., for the supply of a test certificate for the exposure test carried out by the Alipore Government Test House of the Bituminous Solution called "Murabit"?

(b) If so, is it a fact that the verbatim copy of the report has been supplied to them on the understanding that it is only to be communicated to the members of the Company?

(c) Will Government be pleased to state the reasons for making the stipulation referred to in part (b)? Are Government aware that the stipulation prevents the Company from utilizing the report?

(d) Do Government propose to lay a copy of the report supplied to Messrs. The Murarka Paint and Varnish Works, Ltd., Calcutta, on the table of the House for the information of the members of this House and the public? If not, why not?

Mr. J. A. Shillidy: With your permission, Sir, I propose to reply to questions Nos. 895 and 896 together. There is a suggestion that preference is given in treatment to the Indian Cable Company as against Messrs. Murarka Paint and Varnish Works, Ltd. In the case of the latter, the examination was carried out for purely departmental purposes on samples and a report on that basis was prepared. As an act of grace a copy of the report was supplied to Messrs. Murarka Paint and Varnish Works, Ltd., free of charge. In the case of the Indian Cable Company, however, certain of their products are under constant examination and test by the technical staff of the Indian Stores Department for which services the Company pays. The labels which the Company attach to their products certify that the materials to which they are attached have been inspected and comply with certain specifications. It will be seen, therefore, that there is no similarity in the circumstances under which the report and certificates referred to were issued to the two Companies.

CERTIFICATES GRANTED BY THE INDIAN STORES DEPARTMENT.

†896. ***Mr. S. C. Mitra:** (a) Is it a fact that a certificate was awarded to the Indian Cable Company by the Indian Stores Department?

(b) Are Government aware that such a certificate is being utilised by them in the form of a label with every product that is sent out of their shops?

(c) Will Government be pleased to state the reasons why the report or certificate granted by the Indian Stores Department for the Murarka of the Murarka Paint and Varnish Works, Ltd., Calcutta, contains a proviso clause to the effect that the certificate or report granted is only to be communicated to the members of the Company?

(d) Will Government be pleased to state whether the certificate granted to the Indian Cable Company for their cables contained the same clause that it is only to be communicated to the members of the Company?

(e) If not, will Government be pleased to state the reasons of such differential treatment meted out to two different companies?

SHAREHOLDERS AND DIRECTORS OF THE INDIAN CABLE COMPANY.

897. ***Mr. S. C. Mitra:** (a) Is it a fact that the Indian Cable Company consists of European share-holders?

(b) Is it a fact that the said Company is managed by a Board of Directors consisting of only Europeans?

Mr. J. A. Shillidy: (a) There was a substantial number of Indian share-holders up to 1928. No later information is available, but such information can always be had from the Registrar of Joint Stock Companies. I may also mention that there is nothing to prevent Indians holding shares of this Company.

(b) The reply is in the negative.

SHAREHOLDERS AND DIRECTORS OF THE MURARKA PAINT AND VARNISH WORKS, LTD.

898. ***Mr. S. C. Mitra:** (a) Is it a fact that the Murarka Paint and Varnish Works Ltd., consists only of Indian share-holders?

(b) Is it a fact that the Board of Directors of the Murarka Paint and Varnish Works Ltd., consists of only Indians?

Mr. J. A. Shillidy: (a) and (b). The information desired by the Honourable Member can be obtained from the Registrar of Joint Stock Companies, Bengal.

ARREST AND RELEASE OF KHAN SAHIB ABDULLAH JAN AT CHARSADDA.

899. ***Lieut. Nawab Muhammad Ibrahim Ali Khan:** (a) Has the attention of Government been drawn to the article in the *Inqilab* dated the 24th February, 1931, regarding the arrest and subsequent release of Khan Sahib Abdullah Jan, Rais and Honorary Magistrate, Charsadda, under the orders of the Assistant Commissioner, Charsadda?

(b) Under what law was he arrested and for what reasons?

†For answer to this question, see answer to question No. 895-

(c) Was he committed to custody and kept confined in a room the whole night?

(d) Is it a fact that the next morning the said Khan Sahib was transferred to a cell with barred windows situated in a public place?

(e) Is it a fact that on the 6th February, the Khan Sahib applied by a written application to the Assistant Commissioner to enquire why he was arrested and being kept in confinement?

(f) Was a warrant showed to him then to inform him that he was arrested because land revenue for his Zail was in arrears?

(g) Under what law is it legal to arrest and commit to custody a Zaildar in order to recover arrears of revenue due from his Zail and not from him personally?

(h) Was the Khan Sahib released afterwards on the ground that he was not personally liable for the arrears of the Zail?

(i) If the above facts are true, what action did Government take or propose to take for this arrest and confinement against those responsible for it?

Mr. J. G. Acheson: (a) Yes.

(b) Under section 69, Punjab Land Revenue Act as a Revenue defaulter.

(c) He was confined in the Revenue lock-up under section 69 (2) of the Act.

(d) He was transferred to another cell as it was considered undesirable that he should be associated with other defaulters.

(e) The Assistant Commissioner received a petition from Counsel on the defaulters behalf on the same day.

(f) He was arrested on regular warrant and brought to Charsadda and was personally informed by the Assistant Commissioner of reasons for his arrest. He was a defaulter in personal revenue quite apart from the fact that there were arrears in his Zail and the personal revenue was specified on the Warrant.

(g) The Honourable Member is referred to the answer to part (b) of the question.

(h) No. He was released on giving security for revenue due from him personally.

(i) Does not arise.

IMPRISONMENT OF GHULAM MUHAMMAD KHAN.

900. ***Mr. M. Maswood Ahmad:** (a) Is it a fact that one Ghulam Muhammad Khan of Land Kher, Peshawar District, was sentenced to three years' imprisonment on the 11th May, 1930?

(b) Is it a fact that on the 26th June, 1930, during his absence in the Jail, a building owned by him was raised to the ground?

(c) If the reply to part (b) above be in the affirmative, will Government please state the reasons of doing so?

(d) Were any objectionable articles found in that building? If so, what?

Mr. J. G. Acheson: (a) Ghulam Muhammad Khan was required to furnish security to be of good behaviour and to refrain from anti-Government activities. He refused to do so and consequently underwent imprisonment.

(b) His *hujra* was partially dismantled, but was not raised to the ground. All the furniture was removed before the dismantling was begun.

(c) The reason was that his *hujra* was used for a long time even after his arrest as the Headquarters of an unlawful association.

(d) Yes. A Congress flag and a considerable amount of unlawful literature was found in the *hujra*.

APPOINTMENT OF SIKHS IN THE FOREIGN AND POLITICAL DEPARTMENT.

901. ***Sardar Sant Singh:** (a) Will Government be pleased to state the number of Sikhs at present employed in the Foreign and Political Department of the Government of India?

(b) How many vacancies occurred during the last two years in that Department? How many applications were received? How many of the applicants were Sikhs and how many of the Sikhs were taken?

Mr. J. G. Acheson: It is presumed that the question relates to the ministerial establishment of the Foreign and Political Department. If so the reply is:

(a) Seven.

(b) 32 vacancies occurred in the Foreign and Political Department during the last two years. 180 applications were received. Four applicants were Sikhs, of whom two were taken.

Mr. S. G. Jog: May I know what are the qualifications required for the appointment of higher officials in the Foreign and Political Department of the Government of India?

Mr. J. G. Acheson: That does not seem to arise out of this question, but I shall be glad to give the Honourable Member information if he gives me notice.

APPOINTMENT OF SIKHS IN THE FOREIGN AND POLITICAL DEPARTMENT.

902. ***Sardar Sant Singh:** (a) Is it not a fact that the Government of India stand committed to protect the interests of all minorities and not only the Muslim minority?

(b) Is it a fact that a Muslim candidate was selected for appointment in the Political Department in preference to two Sikhs? Is it a fact that the Muslim candidate had not passed the promotion examination for the rank of Captain while both the Sikh candidates had passed the examination?

(c) Is it a fact that passing of the examination is a condition precedent for such appointment? Will Government state the reason for such differential treatment between the two important minority communities?

Mr. J. G. Acheson: (a) The policy of Government is to avoid the undue preponderance of any one class or community in the Government service. This connotes the paying of due attention to the interests of the various minority communities.

(b) The two most suitable candidates from amongst Indian King's Commissioned applicants for appointment to the Political Department were selected. They both happened to be Muslims. One was appointed on the understanding that he qualified for promotion to the rank of Captain in the Indian Army within one year of his appointment to the Department.

(c) The rules relating to admission to the Foreign and Political Department lay down that applicants shall normally have passed the prescribed examinations for promotion to the rank of Captain before appointment to the Department. There have been several cases, however, where this rule has been waived on the understanding referred to in (b) above.

Sardar Sant Singh: May I know why the Sikh candidates were superseded though they were qualified and had passed the examination?

Mr. J. G. Acheson: The other candidates were considered on general grounds to have superior claims.

Sardar Sant Singh: May I know what is the meaning of general grounds?

Mr. J. G. Acheson: Taking all their qualifications and all the circumstances into account.

APPOINTMENT OF SIKHS ON RAILWAYS.

903. ***Sardar Sant Singh:** Will Government be pleased to furnish the following information regarding the number of Sikhs employed in the Railway Department both on State-managed and Company-managed Railways:

- (1) Employees drawing less than Rs. 30 per mensem;
- (2) Employees drawing Rs. 30 to Rs. 59 per mensem;
- (3) Employees drawing Rs. 60 to Rs. 99 per mensem;
- (4) Employees drawing Rs. 100 to Rs. 249 per mensem;
- (5) Employees drawing Rs. 250 and upwards?

Mr. A. A. L. Parsons: Government regret that the information asked for by the Honourable Member is not available.

RECRUITMENT ON STATE-MANAGED RAILWAYS.

904. ***Sardar Sant Singh:** Will Government be pleased to lay on the table a statement showing the recruitment made during the last four years on State-managed railways for the various superior services with special reference to the Sikhs?

Mr. A. A. L. Parsons: The annual recruitment made to posts of gazetted rank on State-managed Railways is shown in Chapter VI of the Annual Reports by the Railway Board on Indian Railways. The number of Sikhs appointed during the last four years to such posts is as under:

Engineering	One in 1927-28, one in 1928-29 and 2 in 1929-30.
Transportation (Traffic) and Commercial.	One in 1928-29.
Transportation (Power) and Mech.	Nil.
Stores	Nil.
Other Departments (Medical)	One in 1926-27 and one in 1929-30.

Of these, the appointment to the Engineering Department made in 1927-28 was in the Local Engineering Service while all other appointments were to the Superior Services.

UNSTARRED QUESTIONS AND ANSWERS.

EMPLOYMENT OF CERTAIN INDIAN ELECTRICAL ENGINEERS.

266. **Mr. Gaya Prasad Singh:** Will Government be pleased to state:

- (a) whether it is a fact that Messrs. Merz & Partners, Consulting Electrical Engineers to the Government of India (Railway Board), have at present on their superior staff four Indian Electrical Engineers;
- (b) whether these engineers were engaged by the Consulting Engineers at the suggestion of the Railway Board;
- (c) whether those engineers were not selected by the Consulting Engineers (i) with due regard to their previous training and qualifications, and (ii) with the express approval and sanction of the Railway Board;
- (d) whether or not they have gained valuable technical and administrative experience through several years' continuous employment on a very important Main Line railway electrification scheme;
- (e) if the answer to part (d) be in the affirmative, in view of their specialist experience, part of which was gained in the service of the Indian State Railways, what steps have Government taken in the past to secure the services of these highly trained technical men and how do they propose to utilize their services in the future?

Mr. A. A. L. Parsons: (a) Government have no information.

(b) No.

(c) (i) Government have no information, but consider this probable.

(ii) No.

(d) Government have no information.

(e) The men in question had an opportunity to apply for posts in Government service advertised by the Public Service Commission for which they may have possessed qualifications. So far as can be ascertained, only one Indian on the staff of Messrs. Merz and Partners responded to the invitation in connection with recruitment to certain posts in the Electrical establishment of the Great Indian Peninsula Railway advertised by the Public Service Commission in 1929, and he was not recommended for appointment.

CONSTRUCTION OF A SHED FOR THIRD CLASS PASSENGERS AT MADHO SINGH RAILWAY STATION.

267. **Mr. S. C. Mitra:** (a) Are Government aware that there being no third class shed at Madho Singh station of the Bengal and North Western Railway, the passengers were put to great trouble in January, 1930, *Kumbh Mela*?

(b) Do Government intend to direct the Bengal and North Western Railway authorities to construct a shed for the third class passengers there? If so, when?

Mr. A. A. L. Parsons: (a) No.

(b) A copy of the Honourable Member's question is being forwarded to the Agent, Bengal and North Western Railway, for consideration.

CONSTRUCTION OF AN OVERBRIDGE AT AUNRIHAR JUNCTION RAILWAY STATION.

268. Mr. S. C. Mitra: (a) Are Government aware that there is no overbridge at Aunrihar Junction of the Bengal and North Western Railway?

(b) Are Government aware that trains Nos. 111 Up, 86 Down, 70 Down and 69 Up, all reach Aunrihar at 8-58, 10-3, 10-13, and 10-16, respectively, and that 111 Up together with some loaded wagons are kept on line No. 1 after admitting it into line No. 3; and that 69 Up, comes on line No. 3; and that 86 Down, and 70 Down are daily taken on lines Nos. 5 and 4, respectively, and that this causes much discomfort and inconvenience to the passengers either to get into the trains or to go out of the station without overbridges?

(c) Are Government aware that as a result of this one Gajadhar Ahir a cooly belonging to the engineering department was run over by a goods train at Aunrihar in January last?

(d) Do Government propose to consider the advisability of enjoining upon the Bengal and North Western Railway authorities to construct overbridges at Aunrihar at once?

Mr. A. A. L. Parsons (a), (b), (c) and (d). Government have no information on the points mentioned by the Honourable Member, but I am sending a copy of his question to the Agent, Bengal and North Western Railway, for consideration, and I am asking him to furnish information regarding part (c) of the question.

HOURS OF WORK OF CERTAIN POINTSMEN AND STATION MASTERS.

269. Mr. S. C. Mitra: (a) How many trains run daily between Aunrihar and Benares city?

(b) For how many hours do the pointsmen work at those stations between Aunrihar and Benares city? For how many hours do the station masters and the assistant station masters work in each of the four districts?

(c) For how many hours is the duty of the station masters and assistant station masters on the East Indian Railway and for how many hours do the pointsmen on the East Indian Railway work?

Mr. A. A. L. Parsons: I am obtaining information on these points from the Agent of the Bengal and North Western Railway and will communicate later with the Honourable Member.

**UNSUITABLE FOODSTUFFS SUPPLIED BY VENDORS AT AUNRIHAR
RAILWAY STATION.**

270. Mr. S. C. Mitra: (a) Are Government aware that the foodstuffs supplied at Aunrihar by the sweets and *puri* vendors are most wretched and no action is taken against the vendors?

(b) Do Government propose to put the sanction of the sale of the food-stuffs in the hands of the district medical officers of health and local bodies to avoid this nuisance? If not, what step do Government propose to take against this practice of supplying bad food-stuffs at stations on the Bengal and North Western Railway lines?

Mr. A. A. L. Parsons: (a) No.

(b) I will have a copy of the Honourable Member's question and of this reply sent to the Agent of the Bengal and North Western Railway. The matter is entirely within his competence.

**NON-SUPPLY OF WATER AT SECOND AND THIRD CLASS STATIONS ON THE
BENGAL AND NORTH WESTERN RAILWAY.**

271 Mr. S. C. Mitra: Are Government aware that the Bengal and North Western Railway do not supply water at second and third class stations on their lines throughout the year, especially during the hot season? If so, what steps do Government propose to take against that Railway?

Mr. A. A. L. Parsons: Government are not aware of the extent, if any, to which there is substance in the complaint contained in the Honourable Member's question. I am addressing the Agent of the Bengal and North Western Railway on the subject and will communicate later with the Honourable Member.

JURISDICTION OF THE RADHAPUR POST OFFICE.

272. Mr. S. C. Mitra: (a) Are Government aware that several petitions were submitted by the villagers of the surrounding villages of Radhapur B. O. (Noakhali Dt., Bengal) for their inclusion within the jurisdiction of the Radhapur Post Office since the starting of the said Post Office?

(b) Is it a fact that inquiries were also made by more than one postal officer about the convenience of the villagers who made petitions and that such officers were satisfied that the jurisdiction of the said Post Office should be extended and should include those villages and they also reported accordingly?

(c) Is it true that the jurisdiction is not extended only on the ground that there is no Postal peon for the said Post Office?

(d) When do Government propose to appoint a peon for the Post Office and also order the inclusion of the villages in question within the jurisdiction of Radhapur Post Office?

(e) Has the said Post Office of Radhapur been supplied with furniture, as promised? If not, why not?

Mr. H. A. Sams: (a), (b), (c), (d) and (e). Government have no information. The matter is one of administrative detail and is entirely within the competence of the Postmaster-General, Bengal and Assam, to whom a copy of the question is being sent.

PUBLIC SERVICE COMMISSION EXAMINATION FOR TEMPORARY CLERKS.

273. **Mr. S. C. Mitra:** (a) Will Government be pleased to state whether temporary clerks, who have been serving in the Government of India offices for over a year, are required to sit for the Public Service Commission examination?

(b) If the answer to part (a) be in the affirmative, how do Government justify their compelling these clerks to sit for the examination?

(c) Will Government be pleased to state the reasons why the Departments were empowered to fill up 50 per cent. First Division vacancies by departmental promotion of the Second Division clerks?

(d) Are Government aware that a majority of these clerks are compelled to stay in the office very late hours and seldom get any time to prepare for their examination?

The Honourable Sir James Orerar: (a) One of the conditions imposed for the qualifying examination is one year's service between certain specified dates.

(b) I would refer the Honourable Member to the reply I gave to part (b) of his unstarred question No. 265 on the 6th instant.

(c) It was considered desirable, in the interest alike of the men themselves and of the service, not to debar suitable Second Division clerks from promotion to the First Division.

(d) There may be a few such cases, but I am not prepared to admit, on such information as I have, that the majority are in that position.

RECRUITMENT OF ACCOUNTANTS BY THE CONTROLLER OF RAILWAY ACCOUNTS AND THE CHIEF COMMISSIONER OF RAILWAYS.

274. **Sirdar Harbans Singh Brar:** (a) Will Government please place on the table a statement showing the number and names of the unqualified accountants recruited by the Controller of Railway Accounts or the Financial Commissioner, Railways, stating separately the number and names of those taken directly or promoted from the clerical establishment under them since the separation of accounts from audit and the creation of the Railway Accounts Office?

(b) What were the conditions of their recruitment and how was the direct recruitment made?

(c) How many Sikhs were so recruited and what proportion do they form?

(d) Who are the men who have been confirmed or promoted without undergoing any examination or fulfilling any conditions and what were the reasons for doing so?

(e) What were the real conditions for their confirmation and further promotion?

(f) Is it a fact that out of about 200 unqualified accountants, not a single Sikh was taken? If so, what are the reasons for completely ignoring the rights of this minority community?

(g) Is it a fact that all these appointments were never advertised? If so, why?

(h) Is it also a fact that the procedure mentioned in part (g) was deliberately adopted in order to provide for near relatives or friends of the Railway Board officials and staff who could not otherwise secure any appointment?

Mr. A. A. L. Parsons: (a), (b), (c), (f) and (g). I am in some doubt what the Honourable Member means by unqualified accountants. If he means persons who have been directly recruited as accountants and not either taken in as probationers or promoted from the permanent establishment, there have been two since the 1st April, 1929, when the Railway Accounts Department was formed. These two gentlemen were appointed direct as accountants in view of their education and experience, and not after advertisement, and one of them is a Sikh?

(d) and (e). One of the two gentlemen has been confirmed as Accountant, Grade II, and is officiating in Grade I because of his experience and work. The other is still on probation.

(h) Decidedly not, Sir.

APPOINTMENT OF SIKHS TO THE OFFICE OF THE RAILWAY BOARD.

275. Sirdar Harbans Singh Brar: (a) Is it a fact that there has never been a Sikh officer in the Railway Board as well as in the Controller of Railway Accounts Office?

(b) If the reply to part (a) be in the affirmative, will Government please say why the rights of the Sikh community have been overlooked in contravention of the principles laid down by the Home Department in 1926 and afterwards?

(c) Since the issue of the order from the Home Department regarding communal adjustment in all the services and in the Departments how many Anglo-Indians, Indian Christians and Muhammadans have been brought on the superior staff of the Railway Board and why has no Sikh been so far brought in?

(d) Are Government prepared to take steps to appoint (i) a Sikh officer on the superior staff of the Railway Board, (ii) a sufficient number of Sikh unqualified accountants, and (iii) a sufficient number of Sikh ministerial staff of the Railway Board proper?

Mr. A. A. L. Parsons: (a) Yes.

(b) and (c). The principles laid down by the Government of India to which the Honourable Member refers relate to the recruitment to the various services and are observed in recruiting for the railway services, but they do not relate to the posting of individual officers to particular offices. The selection of officers already in service to fill particular posts which become vacant is determined solely by considerations of administrative efficiency and not by communal considerations.

(d) Government can give no undertaking as to the community from which any particular vacancy for an office in the Railway Board will be filled as I have said this must be decided by considerations of administrative efficiency. Nor are they prepared to appoint unqualified accountants from any community. The claims of Sikhs, as of other communities, for a share in the recruitment to the ministerial staff of the Railway Board are, and will be, considered.

CARRIAGE OF BEEF THROUGH THE STREETS OF NEW DELHI.

276. **Sirdar Harbans Singh Brar:** (a) Are Government aware that a cart carrying beef passes through the public places in Raisina at a time when the residents of the place go to offices or elsewhere?

(b) Are Government also aware that the cart is always uncovered?

(c) Do Government know that this is a source of great annoyance to the Hindus and hurts their religious feelings?

(d) Do Government propose to take steps to prevent this nuisance by the removal of the stall from its present place to a quarter where it ceases to be of annoyance to the religious susceptibilities of the offended community? If not, why not?

The Honourable Khan Bahadur Mian Sir Fazl-i-Husain: (a). A few carts carrying beef go round New Delhi in the mornings but not at any specified time.

(b) No. It is reported that the carts are always covered.

(c) No complaint appears to have been made to the New Delhi Municipal Committee.

(d) It is not clear to which stall the Honourable Member is referring. The New Delhi Municipal Market has two beef stalls, but both are hidden from public view and the New Delhi Municipal Committee has never received any objections in regard to either of them.

APPOINTMENT OF SIKHS TO THE MILITARY ACCOUNTANT GENERAL'S DEPARTMENT.

277. **Sirdar Harbans Singh Brar:** (a) Is it a fact that out of 465 accountants as it stood on the 1st September, 1930, in the Military Accountant General's Department in India, there is only one Sikh?

(b) Is it also a fact that out of 4,108 permanent and temporary clerks there are only 20 Sikhs?

(c) If the replies to the above be in the affirmative, will Government please state what steps they have taken since the 1st September, 1930, in order to give the Sikhs their proper share in the Military Accountant General's Department?

The Honourable Sir George Schuster: (a) and (b). The reply is in the negative.

(c) Does not arise.

I will supply the correct numbers to the Honourable Member when my information is complete.

APPOINTMENT OF SIKHS IN THE IRRIGATION DEPARTMENT OF THE PUNJAB.

278. **Sirdar Harbans Singh Brar:** (a) With reference to the reply given to question No. 581, dated the 17th September, 1928, will Government please state what endeavours have been made up till now to give the Sikhs their due share in the Indian Service of Engineers in the Irrigation Department of the Punjab Province?

(b) Are Government prepared to take a sufficient number of Sikhs at the time of the next recruitment in April next? If not, why not?

Mr. J. A. Shillidy: (a) The new rules and regulations for direct appointment to the India-recruited branch of the Indian Service of Engineers were published in September, 1929, and the first examination under these rules was held in February, 1930. Of the 8 vacancies in that year, 5 were filled by open competition and the other 3 by nomination. As no Sikh candidate secured a place in the open competition, a Sikh from the Punjab was appointed by nomination and posted to the United Provinces.

(b) The second examination under the rules was held in January this year, but the results have not yet been announced. The claims of the candidates belonging to the minority communities who qualify at the examination will be duly considered when the appointments are made.

RECRUITMENT OF SIKHS TO THE TRAFFIC DEPARTMENT OF INDIAN RAILWAYS.

279. Sirdar Harbans Singh Brar: (a) Will Government please state what steps they intend taking to recruit Sikhs in the Traffic Department of Indian Railway Service establishment at the next time?

(b) If not, why not?

Mr. A. A. L. Parsons: (a) and (b). I would refer the Honourable Member to the Regulations for recruitment in India for the Transportation (Traffic) and Commercial Departments of the Superior Revenue Establishment of State Railways, in which, in accordance with the policy of Government, provision is made for the reservation of one-third of the vacancies for the redress of communal inequalities. A copy of these Regulations is in the Library.

APPOINTMENTS IN THE OFFICE OF THE RAILWAY BOARD MADE DIRECT AND THROUGH THE PUBLIC SERVICE COMMISSION.

280. Sirdar Harbans Singh Brar: (a) With reference to the assurance given by the Financial Commissioner of Railways on the 26th February, 1929, to the effect that the appointments to the office of the Railway Board will in future be filled, as are the appointments in other Secretariat Departments, through the Public Service Commission, will Government please state whether it is a fact that a number of persons have been entertained without reference to the Public Service Commission subsequent to the assurance given above?

(b) If the reply to the above be in the affirmative, will Government please state the total number of appointments made through the Public Service Commission or otherwise and reasons for the latter?

(c) Has any of the persons recruited from sources other than the Public Service Commission been confirmed in—

(1) the Railway Board's office,

(2) any subordinate office of the Railway Board?

Mr. A. A. L. Parsons: (a) and (b). I would refer the Honourable Member to the reply given by me on the 28th January, 1931, to his question No. 153.

(c) (1). The reply is in the negative.

(2) The undertaking given by me on the 26th February, 1929, applies only to purely clerical appointments in the Railway Board's office.

OCCUPATION OF CLERKS' QUARTERS AT SUMMER HILL.

281. Sirdar Harbans Singh Brar: (a) Will Government be pleased to say whether the clerks' quarters at Summer Hill (Simla) are occupied to their full capacity every year? If not, why not? What percentage of them remains unrented and what is the amount of annual loss to Government on that account?

(b) Has any desire on the part of the Indian clerks to reside in the Kaithu quarters come to the notice of Government? If so, what is the decision of Government in the matter? Has the expedient of making these quarters available for Indians by sending the Anglo-Indians to Summer Hill been examined?

(c) Are Government aware that the Summer Hill quarters are not popular with the Anglo-Indians and if so, why was this aspect of the question not taken into consideration when the quarters were built?

(d) Has the question of allotting the Summer Hill quarters to Indian clerks been considered and, if so, with what result?

Mr. J. A. Shillidy: (a) No, as generally speaking these quarters are not popular. The percentage vacant is 40 and the loss to Government at present is Rs. 22,000 per annum.

(b) Government have no knowledge of any general desire on the part of Indian clerks to reside in the Kaithu quarters. The second part of the question does not arise and the reply to the last part is in the negative.

(c) Yes. The quarters were built when there was a demand for them and it was not then known that they would not be popular.

(d) The question was examined in 1929, but was dropped as opinions on the subject differed widely. It is again under consideration.

SHORTAGE OF "B" CLASS QUARTERS IN NEW DELHI.

282. Sirdar Harbans Singh Brar: (a) Will Government be pleased to state the number of migratory assistants in the Government of India offices who are entitled to "B" class quarters in Delhi—orthodox and unorthodox—separately and how many of them have not been provided with quarters of their class?

(b) Will Government be pleased to state the number of non-migratory assistants in the Government of India and the local offices in Delhi, separately who are entitled to "B" class quarters, orthodox and unorthodox, and to whom quarters of their class have not been provided?

(c) What steps do Government propose to take to provide the unprovided men of this class with quarters in Delhi for the year 1931-32?

Mr. J. A. Shillidy: (a) and (b). A statement is attached giving the required information.

(c) Thirteen more Class "B" orthodox clerks' quarters are under construction at present and will be available for allotment for the year 1931-32. The completion of these quarters will leave only 49 per cent. of the number of class "B" orthodox clerks unprovided with quarters as compared with 48 per cent. in the case of unorthodox clerks.

Statement showing the demand and allotment of class "B" orthodox and unorthodox clerks' quarters in New Delhi for the winter season of 1930-31.

Offices.	Demand,		Allotment.		Unprovided.	
	Orthodox.	Unorthodox.	Orthodox.	Unorthodox.	Orthodox.	Unorthodox.
Migratory	160	107	40	55	60	52
Non-migratory	31	7	14	4	17	3
Local	6	3	3	2	3	1
Total	137	117	57	61	80	56
Percentage	..	..	43%	52%	58%	48%

ALLOTMENT OF CLERKS' QUARTERS IN NEW DELHI.

283. **Sirdar Harbans Singh Brar:** (a) Is there a waiting list of persons who have not been provided with quarters in Delhi? Is it accessible to the men concerned and, if it is not, what is the objection to making it so accessible?

(b) Are Government aware that there is a feeling among the clerks that fresh allotment in Delhi is not made strictly in accordance with the waiting list which is said to exist but which no assistant or clerk who is affected has ever seen?

(c) Why is not the allotment of quarters in Delhi made while the offices are in Delhi? Are Government aware that allotment made while the offices are in Simla causes hardship to those who do not get quarters as they cannot easily arrange for private accommodation from Simla? If so, how do Government propose to afford relief to the men concerned?

Mr. J. A. Shillidy: (a) There is no general waiting list. The allotment of quarters is made *pro rata* to the demands received from various Departments, and separate waiting lists are maintained for each Department for each class of accommodation. These lists consist of the names of the unsuccessful applicants. They are not confidential documents and are accessible to the men concerned.

(b) Government have no information on the subject. The allotment is made strictly in accordance with the waiting lists and Departments are invariably consulted before the allotments are made.

(c) The rules for the allotment of clerks' quarters are under revision and it is proposed to amend them so as to provide that the allotments will be made in Delhi before the officers move to Simla.

NON-PROVISION OF DURRIES IN "D" AND "C" CLASS QUARTERS IN NEW DELHI.

284. **Sirdar Harbans Singh Brar:** Why are not durries provided in the orthodox "D" and "C" quarters in Delhi?

Mr. J. A. Shillidy: Durries are not supplied to "C" and "D" class orthodox quarters, as there is no general demand for them and because the supply of durries to these quarters would cause an enhancement of rent, which the occupants would not care to pay.

SETTLEMENT ARRIVED AT BETWEEN GOVERNMENT AND THE CONGRESS.

Diwan Bahadur T. Rangachariar (South Arcot *cum* Chingleput: Non-Muhammadan Rural): May I crave your permission to move a motion regarding the message which was conveyed to us the other day announcing the settlement between the Government and the Congress Party? The motion runs as follows:

"That this Assembly do record its profound satisfaction that a settlement has been arrived at between the Government and the Congress and its earnest hope that the settlement will inaugurate a new era of healthy and helpful co-operation in securing political and economic freedom for India."

Sir, it is rather a sad commentary on our rules of procedure that we should take this belated action on a most momentous pronouncement which was made first to this House before the rest of the world knew of it. But better late than never. Late as it is, the fact that the two parties who had quarrelled—we were not in the quarrel—have settled their disputes, has aroused an immense degree of satisfaction throughout the country, and I may add, from what we see in the newspapers throughout the world, a large part of the world is about to emerge from a season of confusion into a season of co-operation, healthy and helpful. (Cheers.) Sir, the two great actors in producing this result are His Excellency Lord Irwin and Mahatma Gandhi. Sir, the world is indebted to both these men. Both these men have got a reputation not only for statesmanship but for being truly religious people. (Hear, hear.) The real fact, after all, is that there is no difference between religion and religion, and with their deep faith in God, they began this task, a tremendous task, which looked very difficult indeed, almost impossible of accomplishment—at one stage when I was on my way from Madras I was told just midway that the thing was almost failing. But on entering into this Chamber I was reassured that the thing was an accomplished fact, and it was with a great sigh of relief that I heard the news. The whole country had responded to Mahatma Gandhi's call. The urge behind his movement was one which I had not expected. The urge was so large, the people had responded to it so much, that I am glad the Government have realised the gravity of the situation. Mahatma Gandhi had often expressed on his part a desire for peace; he was earnest and sincere in his desire for peace, and the accomplishment of this act redounds greatly to his credit. Of course, it is not for us to praise people like them. They are above praise; they are superhuman; and it is lucky for the country that we have got two such men to deal with. Sir, that is a matter on which the country congratulates itself. There have been other actors in the drama;

it would take a long list to enumerate them; but, Sir, I will not spoil the effect of this motion by reciting all other names. These two great names are outstanding, and our direct object in bringing in this motion is not so much to record the satisfaction that we feel as that we are anxious to give formally our profound thankfulness to both these great people. Unfortunately, our rules of procedure do not permit of the thing being done directly. So, we have to adopt this indirect method of seeking this opportunity to achieve our purpose, our direct purpose, our main purpose, which is to convey the thanks of this country to these two great men.

Sir, I move. (Applause.)

Sir Abdur Rahim (Calcutta and Suburbs: Muhammadan Urban): Sir, it gives me very great pleasure indeed to associate myself with the motion that has been just moved by my Honourable friend, Diwan Bahadur T. Rangachariar. It will be no exaggeration to say that during the time the negotiations were going on between His Excellency Lord Irwin and Mahatma Gandhi, the country was watching with breathless interest as to what would be the outcome of those negotiations. It is neither any exaggeration to say that when the negotiations terminated in the settlement which is now before the public, the whole of India felt relieved that a very difficult situation had been solved. There cannot be the slightest doubt that we owe a deep sense of gratitude to His Excellency Lord Irwin and also Mr. Gandhi for the happy conditions that have now been brought about. It was the concern not merely of India. In fact, all political parties in Great Britain welcomed this settlement with great satisfaction. It means this, that in the future deliberations regarding the constitution, a very influential political party in this country, the Congress, will now come in and make their contribution. It is perfectly true that, with the Congress left out, there would have been very many difficulties in bringing the deliberations to a satisfactory conclusion, and when the result was arrived at, to carry it into effect. The Round Table Conference will now start with the goodwill and cordial co-operation of all influential Indian political parties and representatives of various interests on the one hand and the leaders of the political parties in Great Britain on the other. The outcome of such goodwill and co-operation cannot but be for the benefit of this country as well as of Great Britain. What we have been longing for and hope to get now is that relations will have been established on a footing of trust and confidence between the two countries and, Sir, that being the object which we in this House had always in view and which we Indians have been urging for some time not only in this House but in all the Councils in the country, there cannot be the least doubt that the motion that has been made will be hailed by every Member of this Assembly with considerable satisfaction.

Sir Hugh Cocke (Bombay: European): Sir, I think it is appropriate that this House should have upon its records a motion such as that moved by the Honourable the Leader of the Opposition, and I think he is entitled to thanks for the steps he has taken to get that motion put in a form in which it is in keeping with our rules, because I know the keenness with which he has tried to get a motion of this sort framed and his anxiety that this House should not be behind in offering congratulations on the settlement which has been achieved. As regards that settlement, we are all agreed that it was a great personal achievement for the two chief persons who were engaged in it. It now remains to watch the effect of that settlement and we believe it will be carried out honourably both in the letter and

[Sir Hugh Cocke.]

in the spirit by both sides. As regards the Government machine, I think we may expect that it will work in the way that the agreement indicates. As regards the other side, it will perhaps be a little more difficult, but Mahatma Gandhi has a very great influence in this country, and I am quite sure that, so far as he is personally concerned, he will do all he can to see that the terms of the settlement are acted up to and it is for us here to do anything we can to assist the people of this country in acting up to that settlement because it may not be easy to do so in every direction and at a very early date. Sir, I gladly join in this tribute to those who have achieved that result. It is a matter of history and I think it is only right that this House should have this opportunity of offering its congratulations to those who have achieved it.

Mr. Muhammad Yamin Khan (Agra Division: Muhammadan Rural): I whole-heartedly support the Resolution moved by the Honourable the Leader of the Opposition.

The Honourable Sir George Rainy (Leader of the House): I should like in a single sentence to associate the Government Members with the terms of the motion moved by my Honourable friend. We share in the satisfaction that others have expressed that a settlement has been reached and we also fully share in the hope that it will prove to be the beginning of a new and much happier era.

Mr. President: The question is:

"That this Assembly do record its profound satisfaction that a settlement has been arrived at between the Government and the Congress and its earnest hope that the settlement will inaugurate a new era of healthy and helpful co-operation in securing political and economic freedom for India."

The motion was adopted.

THE GENERAL BUDGET—LIST OF DEMANDS.

SECOND STAGE

Mr. President: Order, order. The House will now take up the second stage of the General Budget, namely, the Demands for Grants. With regard to the order in which these Demands should be taken up, I have to inform Honourable Members that for the last few years it has been the practice in this House that the leaders of the parties in consultation with Government arrive at an agreement and settle the order. The usual order of Demands is thus varied in accordance with the general sense of the House. I have accordingly varied that order in accordance with the wishes of the parties conveyed to me. I propose in accordance with the arrangement to take up the Demands for Grants in the following order:

Discussion will first be raised by the Nationalist Party today on a cut relating to the Executive Council. On Tuesday the 10th March the Independent Party will initiate discussion on the Demand regarding the Army Department. On Wednesday the 11th March forenoon the European Group will take up the discussion on the Demand relating to the Taxes on Income. On the same day in the afternoon the United India Party will be allowed to discuss the Demand relating to the North West Frontier Province.

After having disposed of these Demands I propose to go back to Demand No. 16 (Customs) and then take the subsequent Demands in the order in which they appear on the paper.

Mr. C. S. Ranga Iyer (Rohilkund and Kumaon Divisions: Non-Muhamadan Rural): On a point of order. I should like to know whether it will be possible to conclude each particular Demand within the period allotted to that Demand. For instance, there is the Executive Council Demand and I find a large number of cuts given by Honourable Members and, Sir, if you decide that the discussions on that particular cut should come to a conclusion today, that would mean that certain Honourable Members, who appear at the bottom of the list, will be deprived of their chance. I hope therefore there will be no such thing as limiting a particular Demand to a particular period of discussion, for that would be, I think, affecting the rights of non-attached Members in this House, and therefore I do hope that you will take this matter into consideration.

Mr. President: I am very glad the Honourable Member has raised this point of order, as it enables me to explain the position clearly. I recognise that under the Rules and Standing Orders it is not within the power of the Chair to determine when a motion shall go to the vote unless the discussion is concluded. What I tried to explain to the House was a suggestion, which all party leaders have agreed to. It is entirely within the power of the House as a whole to agree to the suggestion or not. The only way to ascertain whether the House agrees is by way of a motion for closure which will be put to the House, and it is by a majority of this House itself that any debate can be concluded and the House proceed to vote. Subject to the rights of the House the Chair has brought to the notice of Honourable Members the desire of the leaders of the various parties in order that they may be able to act in such manner as they deem best. It is perfectly open to the House to refuse closure when moved, the effect of which will of course be that the motion under discussion will continue before the House.

Mr. C. S. Ranga Iyer: May I respectfully suggest, Sir, that a closure motion may be applied and carried by numerous parties in this House, but I respectfully submit that you, as the custodian of the rights of non-attached Members in this House, will see to it that a closure is not put before non-attached Members, whose names appear on the list, have had an opportunity of moving their motions, which would be in accordance with the traditions of this House and also those of the House of Commons when a particular Demand is taken.

Mr. President: I may assure the Honourable Member that I am perfectly alive to my responsibility in regulating a fair and reasonable debate. (Hear, hear.) I may inform Honourable Members that I have also to bear in mind the fact that the time allotted for the discussion of Demands for Grants is limited to five days; and if in connection with any particular motion I consider that the discussion has been fair and reasonable, it will be my duty to ask the House whether they wish to close the debate on that motion in order that a larger number of Demands and motions for cuts may be open to the House to discuss within the time allotted for such discussion. I may repeat that I assure the House that I will do all I can to ensure that every Honourable Member gets fair treatment in participating in the debate. (Applause.)

Diwan Bahadur T. Rangachariar (South Arcot *cum* Chingleput: Non-Muhammadan Rural): Sir, may I have your permission to move my motion at page 11 in connection with Demand No. 28

An Honourable Member: No Demand has been moved yet?

Expenditure Charged to Revenue.

DEMAND NO. 28.—EXECUTIVE COUNCIL.

The Honourable Sir George Schuster (Finance Member): My Honourable friend has been a little premature. Sir, I beg to move:

“That a sum not exceeding Rs. 91,000 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending the 31st day of March, 1932, in respect of the ‘Executive Council’.”

Neglect to effect Substantial Retrenchment in all Departments.

Diwan Bahadur T. Rangachariar: Sir, I confess that the reason for being previous in making my motion under this Demand now is only to show that this is an earnest of the evidence of the great feeling behind this motion which is all over the country. Sir, I beg to ask for your permission and the leave of the House to take this motion first under this Demand.

Mr. President: I should like to inform Honourable Members that the Chair has no authority under the Rules and Standing Orders to grant priority to any motion on the Order Paper. The practice is that the Order Paper should be taken up in the order in which motions appear on it. The Honourable the Leader of the Opposition has asked me whether I would allow him to move motion No. 139 on page 11 of the List of Motions for cuts. In connection with the Demand No. 28 the motions for cuts start with No. 107, and there is a large number of motions of which notice has been given by several Honourable Members, which will only be considered if there is time available after the motion No. 139 is disposed of. It is within the privilege of the House to decide whether they will unanimously agree to allow Mr. Rangachariar, the Leader of the Opposition, to move his motion out of its turn, and I would therefore ask whether it is your pleasure to allow Mr. Rangachariar to move his motion No. 139 out of its turn now. The other motions will then follow in the order in which they appear on the Order Paper. I should like to know whether it is your pleasure that that should be done. Those in favour of allowing Mr. Rangachariar to move his motion No. 139 now in priority of the motions appearing on the Order Paper will say “Ayes”. (*Several Honourable Members:* “Aye.”) Those of the contrary opinion will say “No”. I take it that the House unanimously agrees that priority be given. Mr. Rangachariar.

Diwan Bahadur T. Rangachariar: Sir, I am obliged to you and to the House for the permission granted to me to move this motion now. Sir, the significance of this motion, I take it, is that we on this side of the House are moved by a deep sense of the injustice which is sought to be imposed on the country by the proposals contained in the Finance Bill of the Honourable the Finance Member and supported as they are by the

Government of India. Sir, our object in making this motion is not really political. Nor is it by way of any obstruction to the Government. Sir, just at the time when the country is going to enter on an era of peace, it would be far, far from our intention to throw any obstacle in the way of the Government, either wilfully or maliciously or wantonly. Our object, Sir, in bringing in this motion is to convince Government if possible of the great injustice they are doing in pressing on with their proposals contained in the Finance Bill. I can assure the Government of one thing. If they are willing to accede to our desire in this connection, they will find myself and my friends ready to follow them in imposing any necessary taxation at least for a temporary time. But as it is, Sir, we are satisfied, as much as we can be on the materials before us, that the Government have not done all they should have done in effecting retrenchments. Apart from the question of broad policy, which

12 NOON. perhaps may await solution later on, there are various ways in which the Government could have helped the country at a critical situation like this, which we feel they have not done. Now, Sir, my Honourable friend the Finance Member the other day complained that I was rather unjust to him in my criticisms on his Budget speech and unfair to him too. I may say I am not guilty of any such vice. The more I have gone into the matter, the more I am satisfied that the economies which my Honourable friend paid to the Army Department in his Budget are totally undeserved. Sir, this is what the Honourable the Finance Member said while speaking of the Military Department:

"It is an exceptional cut made in exceptional circumstances to meet the present emergency."

Then this is what he said as to what the Army Department have done:

"I wish to take this occasion to express the appreciation of the way in which they have helped me to reduce the expenditure this year."

Then further on he says:

"This House should know that a whole-hearted and substantial effort has been made by all the officers concerned to help me in meeting the present financial position."

I deny that most emphatically. I do not think any Department deserves that compliment in the least degree. I will not take much time of the House because I want to save as much time as possible so that Honourable Members may be able to move their motions for cuts. Our position is that it is true that the gap is too large between the receipts and the expenditure; it is a substantial gap. How is this gap to be filled? We maintain that it should be filled at least in a substantial part by substantial cuts in expenditure. We are prepared to meet them half way if they are prepared to meet us half way. We want to enforce our views on the Government by the exercise of that little power which we have under the constitution. We will not hesitate to use it in case it is necessary in the interests of the country. It is only on that view that we would proceed to exercise such rights as we have in connection with the Finance Bill or otherwise. In one portion of his speech the Honourable the Finance Member said that he would try his level best to cut down the expenditure, and when he proposed that a Retrenchment Committee should be appointed by this House, he told us that he had no faith that anything was going to be achieved and that it was merely an invitation to come and have a try on our part. We refuse to take part in any such invitation, unless

[Diwan Bahadur T. Rangachariar.]

it is going to be a free invitation to the House to take such experts as they desire and take the assistance of the people in order to effect such cuts as we think fit. My first position, therefore, is that it is the business of the Government to make these cuts. They are in the know of things. If they are not in the know of things, they ought to be. They should try to do as much as they can to help the country out of a situation like this. On all hands it is admitted that this is a critical situation to which the country has been brought just at this stage. Therefore, try your hand first; try it earnestly and sincerely with a desire to effect a cut and not merely with a desire to avoid it.

Our first position is that the arrangement entered into by the Government of India with the Army Department is wholly unwise. If I may say so with all respect, it is foolish and it is wholly unsatisfactory. Sir, what is it they have done? The Retrenchment Committee presided over by Lord Inchcape proposed that, with the prices as they then prevailed and with the conditions as they then prevailed, the expenditure for 1923-24 should be somewhere about 60 crores. But, as a matter of fact, in 1923-24 the actual expenditure in the Army Department came to 56·23 crores only. This point must be borne in mind. Sir, the strength of the Army then was 311,975; it has since been reduced to 272,438. Since then we have spent large sums of money in introducing mechanisms in various ways both for killing, for wounding and for transporting. We have improved our methods of warfare. We are up-to-date, perhaps more than up-to-date, in our preparations for any great war that may be waged. I think we are more prepared than any other country in the world for such a war. Sir, we have increased our military expenditure by 100 per cent. from what it was before the war, whereas Great Britain has increased her expenditure only by 48 per cent. since the war and the Dominions only by 33 per cent. India, Sir, has the credit of standing foremost in the matter of increasing her expenditure on defence by 100 per cent. Then, Sir, we have developed our Air Force and we thought that our ground forces would now be reduced. But that has not been so. Then, Sir, I take it that the Inchcape Committee asked them to take the exchange at 1s. 4d. Now, the whole Home charge has considerably increased since those days. With your exchange at 1s. 6d. there ought to be a considerable saving in that line too. And, Sir, not only that, there has been an enormous fall in the prices. At the time the Inchcape Committee reported the index number was 156; in December 1930 the index number was 101. So, there has been a fall of 55 in the index number. Sir, the country should have taken advantage of this. Again, are there not possible economies which ought to be effected at time like this, the time of stress and difficulty, when the people are starving and cannot find the ways and means of clothing themselves and feeding themselves adequately? At a time like this, are there not economies which could have been effected? Is it necessary to go on spending the money at a time like this by improving the educational facilities for the men in the Army? Sir, the British ranks in the Army are not illiterate as are our Indian troops. 92 per cent. of the population of this country are illiterate, and we are starving for funds to educate our children. Here is an Army which is composed of literate people who have already received their education in their own country under the beneficial system

of education that they enjoy. Is it necessary at a time like this when the millions of this country are starving for education, that you should spend more and more money on the already educated people? Again, Sir, take the ecclesiastical requirements of the Army. Is it necessary to persist in them? Why should we spend money for serving their religions? Let them take care of their religion. Why should we provide for all that?

Then, again, Sir, why should we pay these numerous allowances to officers? I have just made a list of these allowances which are allowed in addition to the pay of the officers. The pay of an officer is made up of various items. There is the Indian service allowance, there is the marriage allowance, there is the separation allowance, there is a lodging allowance and so on. Why this separation allowance? That is to say the wives of officers are not permitted to go to particular places; I do not know why should they not be permitted. Why should they be separated compulsorily? I do not know why they should get separation allowance. Then, they get what is called the syce and the forage allowance. We provide them with sanitary and other allowances.

Then, again, take the medical department. We find there is pay, there is additional pay, there is special pay, there is non-practising allowance. There is "com. allowance"—I do not know what it means, I hope it is compensatory allowance and not compassionate allowance. There is honorarium, there is the compensatory allowance, there is the overseas pay and then the post mortem allowance and various other allowances. In this way, Sir, I find one officer is actually getting more than twice his ordinary pay, adding these allowances together. I am speaking as a layman—I have never run any large office, except my small office as a lawyer—and surely it is very difficult to reconcile these things. There must be something rotten in this system. Why should we not sit to set right these things? India is not overflowing with money. Just at a time when you are going to hand over the reins of Government to other people, it is but right that you yourself put it right before you hand it over. Now, Sir, it may be said that the Lee Commission settled these things only the other day. But since the Lee Commission, things have changed considerably. If the Government could appoint a Lee Commission in 1923-24 to increase the pay, surely the same Government can reduce the pay having regard to the changed circumstances. There is nothing to prevent, there is no statute to prevent, and I think at a time like this the Government servants will only be too glad, at any rate they ought to be only too glad, to lend their helping hands in reducing the burden of taxation on the country. You put it to them: "Here is a country which is going through a crisis; now you are getting a lot of allowances and pay. We want to reduce it in order to justify ourselves in the eyes of the country for imposing these taxes. Why should you not help us". Well, if you put it to them, I am sure they will rise to the occasion and will be patriotic enough to take reduced salaries. We can appeal to their sense of patriotism. Do you think that as responsible servants, they will refuse to give their consent? Generally, how do the commercial bodies manage their affairs in a time of crisis? I saw in the newspapers the other day that great commercial concerns have reduced the pay of their staff having regard to the fall in the prices of commodities. Sir, these things might easily be effected, if you have the will to do so.

[Diwan Bahadur T. Rangachariar.]

By mutual good-will and consent, provided we are earnest about it, we can get these things done easily.

Now, leaving the Army, may I take the Civil side. I was just looking up the house rents which the Honourable Members opposite who happen to belong to Delhi and Simla are charged. In taking the value for fixing the rent for these houses, I find no account is taken of the ground value in fixing rental. The ground value is altogether ignored, and not only that, the value of what is done for the compounds is also ignored. It is only the cost of building that is taken into consideration. That again never works up to 10 per cent. Again two officers share a building, but only one officer pays the rent. These gentlemen get special Delhi allowances. I do not know why such inducements are needed to come to the headquarters of the place where the mighty gods dwell. They will be only competing with one another, neck and neck, in order to come to Delhi and Simla. Why should there be this special Delhi allowance to attract people? I do not know. Supposing you tried the other thing, that is, you do not give any special Delhi allowance. Do you mean to say that the Collectors of districts who draw Rs. 2,500 would insist upon getting Rs. 4,000 to come here as Secretaries or would insist upon getting Rs. 3,500 to come here as Joint Secretaries? Certainly these things are unnecessary. I do ask, what is the need for the special allowance, if you do not charge them full value for the houses they occupy? I ask, how many cases there are of gentlemen going shares in one house? Only one man pays the rent, and if you work it out, the rent will come to about 3 or 4 per cent. for each of the gentlemen. Why do you not notice all these defects and why has no attempt been made at rectification in this direction?

Again, may I ask my Honourable friends who travel in whole compartments, whole first class compartments, leave alone the saloon gentlemen, I ask these gentlemen why should they not travel like mortals, taking a single first class berth. Why allow people, who hold the position merely of the rank of Secretaries or of the rank, for instance, of the Commissioner of Income-tax or of the rank of Members of the Central Board of Revenue, why should you allow such gentlemen to travel in whole saloons? Who pays for these things? All these things might be looked into.

Again, Sir, why this extra superfine stationery which you find. Why these big mighty envelopes? Look at these many little things which you can attend to? Why indulge in extravagance? I have been travelling in France and I have seen the French Government and the French people using flimsy dirty paper.

An Honourable Member: You want dirty paper?

Diwan Bahadur T. Rangachariar: No; by all means have clean paper, but flimsy small paper of less value. Why should we have all this costly, superfine paper? Who pays for all these? The starving millions of this country.

Again, Sir, there is too much of auditing. All to do what? To regularise what has already been done. Is there really so much of auditing wanted? I am speaking subject to correction, and my Honourable friend, Sir Hugh

Cocke, will help me in this direction, I have looked at the Public Accounts Committee's Report and various other reports, and what do I find there? What do they do there? They say, six annas has not been sanctioned here, or a few annas has been spent without sanction there, and so on. Surely all these things can be avoided? We want to take care of other things. There is too much of audit and these small things must be left to internal audit and then there should be one final audit. I am speaking subject to correction in these matters, but these are the things which struck me as matters one should take care of.

Again, there is another great thing which, since the Lee loot—as we used to call it then—is sought to be taken advantage of by all sorts of people. The other day I came across a practical instance—it was talked about in the Club and therefore I mention it—I came across cases of people trying to take advantage of the Lee concessions. They are not directly concerned in the Lee Commission recommendations, but these concessions have been applied to them by the Government of India, and then in so applying them, Asiatics become non-Asiatics and when they become non-Asiatics, what happens? You give them these concessions with back arrears. I know, Sir, of a case where a gentleman got Rs. 30,000 to Rs. 40,000 by taking advantage of the provisions of the Lee Commission, by saying, "I am not an Asiatic, I am a non-Asiatic". And that claim is admitted and is allowed. There are several cases of that sort, and claims are put forward which are lightly yielded to. That is my complaint. Why do you allow these things? Not only do they claim concessions as non-Asiatics, but also they claim back arrears and all these claims are allowed with the result that in one case as I mentioned just now, the arrears came to between Rs. 30,000 and Rs. 40,000, and this was recovered by the officer concerned.

Again, Sir, do you want all this exodus to Simla? The Incheape Committee suggested very mildly indeed to the Government of India the desirability of reducing the extent of the staff that they should take with them to Simla, and, may I also humbly add, the period of their stay also in Simla. Is there no self-sacrifice on your part? Do you want only the country to sacrifice itself simply to run the Government on such costly lines like these? Sir, I do expect that the Government of India will set an example, headed by His Excellency the Viceroy, in reducing the luxuries. Sir, Simla is in telephonic communication with Delhi. Simla is only a few hours run by motor car. You have got any number of motor cars and armoured cars. You have got telegraphic and telephonic communication between Delhi and Simla. You have got all the postal conveniences. Then why carry the entire staff with you to Simla? Why should you do that? Really much time is lost in this exodus. An officer has to go about touring during the week or ten days in order that his office might be arranged and settled properly in Simla so that when he goes up to Simla or comes down to Delhi after the move, he can attend to his duties uninterruptedly. So that during the time when the office moves up or comes down, the officer has to do this touring work, which otherwise he would not care to do. There is a mentality of my Honourable friend the Finance Member in his Budget speech where he has made a point that, after all, the pay and salary of the establishment and all that comes only to 16 crores, of which the share of the Government of India is only 5 crores, and how much saving can you effect in this five crores. That is not the

[Diwan Bahadur T. Rangachariar.]

proper mentality. There is an old old saying, take care of the pence and the pounds will take care of themselves. Many a mickle makes a large amount, and in the expenditure on these items a really honest and earnest attempt should be made to effect economy. That is what we want, a real retrenchment. Not merely on the Army, because you gave them an extravagant amount. You unnecessarily go and give them 54 crores. If they agree to take 52 crores and 25 lakhs, you commend them for having forfeited 1 crore and 75 lakhs. This is not retrenchment. They have only foregone what they might have claimed. The Honourable Member should tell every colleague of his that, although the Budget gives him so much, that does not mean a licence to spend it altogether. Sir, I may mention that this crisis in the country was anticipated long ago. This is not a new thing. Directly you passed the Budget and went out of the Assembly room in April last year, the political troubles began to be intense. The fall in prices continued. It is one steady fall which has been going on month after month, as your own returns show. So that you were forewarned. It was in May or June when you should have issued your instructions to the various heads of Departments. Are there not many ways in which you can do it now? Why fill up vacancies which arise? Why grant leave? Are you bound to grant leave and give leave allowances and study allowances? Again, I ask, is this the time to indulge in sending people to make researches in the far East, to study their investigation methods or criminal investigation methods, and how they prevent smuggling? Is this the time to send men to the far East, to Japan and China, to study the procedure they adopt in finding out how they prevent smuggling? Is this the time for all that? Let us do our best according to our best lights. The time may come when we will be able to do all this. These are luxuries, possibly necessities, which we might indulge in when our finances improve. At a time like this you know perfectly well that your anticipations as to receipts are not going to be fulfilled. You knew it in June or July. Could you not request people not to take leave? Of course there is the desire of junior people to take higher ranks. But let them suppress it for a time. Do not fill up vacancies. Make two men do the job of three men. Why should they not do it when the country is like this? If they want this extra pay and allowances, make them do it, there is no harm in that. Specially the young men ought to bear the brunt. I do not say old men should be troubled like that, but put junior men in charge of work which senior men were doing. I do not see any harm in that. There are various ways in which it could be done. How are they able to reduce it in England? They stopped some of these allowances and various other things which they considered they could well afford to take in times of prosperity but which they cannot take now.

Again, Sir, there is something wrong in our leave rules, the Fundamental Rules as they are called. I know the case of a man who is not very far from here who finds it more profitable not to do any work because he gets more pay when he is on leave. There are several cases like that, men taking advantage of it who find it more profitable not to work and to be on leave in order to get more pay when they are on leave than when they are actually working. That is the sort of leave rule which the Government of India promulgated. You call them Fundamental Rules. Fundamental for what? I say it is a shame that there should be any

such provision which enables a man to get more pay when he is not working. Sir, we resent it. This is not the time to say that you have done your best to retrench. You have not done it. You have not performed your duty to the country. The country needs watchful eyes—merciless, watchful eyes. That we are not having and that is the object of my motion. Sir, I move my motion.

Sir Abdur Rahim (Calcutta and Suburbs: Muhammadan Urban): Sir, this is the first Budget of the Government of India which I have to deal with and I need only say that the Budget that we are now considering is one which is enough to stagger any one. We are not going to import any sort of political bias in dealing with this Budget at all. On the other hand we wish that the Honourable the Finance Member had kept clear of politics altogether in presenting this Budget. Sir, now that a settlement has been reached with an influential political party, which for a long time has been adopting methods not altogether of a peaceful character in order to attain their political goal, I am sure every one in this House will keep clear altogether, in considering this Budget, of any political motive or bias. All that we are concerned about is that the Budget should be balanced without any unnecessary imposition of taxes on the people. I believe we are all agreed that there is no room for imposing fresh taxes. The margin is almost exhausted, and whatever little is left, we should not exhaust it altogether. The Honourable Member in charge of the finances of India said in the last sentence of his speech that he is whole-heartedly actuated by a desire to hand over a sound business to his successor. Can he lay his hand on his heart and say that he is actually handing on a sound business to his successor? Sir, I for one and most of us here do not think it possible or desirable that we should go through the numerous items of the various Departments of the Government and say that this is not wanted or this is necessary or that is unnecessary. That is not our business. The attitude we are going to take up is this. We ask the Government of India, of which the Finance Member is a Member, to take up the task themselves and effect retrenchment, sufficient retrenchment, so that the country may be spared the imposition of further taxation. The deficit is a very large one and we realise that some portion of it has to be supplied by fresh taxation. But it must be of a very limited character. A good portion must come out of the amounts now at the disposal of the various Departments of the Government. My Honourable friend, Mr. Rangachariar, has gone into the question of the Army expenditure. We are going to deal with it at some length tomorrow. But we all feel that it is possible to effect considerable retrenchment in the Army expenditure, and that is where the Government of India must lay their hand if they are at all to satisfy public opinion that the country is run, not for the benefit of the services, civil and military, but for the good of the people at large. I have had some experience of a Local Government. There can be no doubt that it is possible to effect economies in various ways. My Honourable friend has given some illustrations. I do not want to add to them; but this is a time when all extra hands, whatever their rank, should be done away with. We do not want extra appointments, at least for the coming year. Then we do not want any new schemes which will cost the Government any substantial sum of money. All new schemes ought to be stopped. All allowances, which might have been justified at one time but which, having regard to the great fall in prices, cannot be considered to be at all necessary, should be abolished.

[Sir Abdur Rahim.]

There is one item which has always struck me as altogether unnecessary and that is the cost to the Government in transfers of their officers. I do not know what is the practice in the Government of India; but I know that in Local Governments these transfers of officers from one station to another cost a great deal quite apart from the great harm it does to the administration. I believe it obtains to some extent also in those administrative charges which are under the Government of India direct. Now, all that might be very effectively and easily stopped with considerable advantage to the efficiency of the administration. Sir, standing here in New Delhi, it is not at all necessary to point out in so many words how extravagant the Government of India can be. We see it all round. There is one motion standing in the name of an Honourable Member which says that we want "less lamp posts and more light". It is a very significant phrase indeed. That is exactly what we want. We have too much of paraphernalia and too little of work of benefit to the people. In the whole of this Budget, which exceeds the resources of the people by several crores, you will not find anything worth considering which is budgeted for or designed to develop the resources of the country and to uplift the millions of this country. The whole of this Budget is devoted to find ways and means for carrying on the machinery of law and order. If you compare the budgets of other countries, you will find what a considerable portion of the revenues is devoted to those beneficent activities which are calculated to raise the status of the people and to develop the resources of the country. You look through the entire Budget and what do you find? India, for instance, is at present a purely agricultural country. Do you find anywhere any scheme which is financed for developing the industries of the country? Do you find any technological institute throughout India? Would any one believe it that in the whole of India there is not a single technical institute worth the name for the training of the people? I know that the Finance Member has told us that he is going to be generous towards agricultural research; I do not want to discuss the merits of that institute, but that is the merest drop in the ocean. If you are going to absorb all the revenues for the ordinary daily administration, then the prospect before this country is bad indeed.

Sir, the Government that we are all expecting to be inaugurated in the near future will have a tremendous task before it—the task of uplifting the people. In matters of education, sanitation, medical relief, industrial development, the whole soil is virgin and unexplored. That is the heavy burden which the future Government of India will have to bear on its shoulders and I do hope that the Government of India will try not to make that burden impossible so far as they can do it. What we propose to do is this. As I started by saying, we shall ask the Government of India to effect retrenchments as much as possible, and when we are satisfied that the Government have done their best we shall let them have a certain amount of money by fresh taxation. That is, if we are satisfied that, having done their best, there is still a gap remaining, they can come to us with a fresh Bill, but until we are satisfied that they have actually done what they could by way of retrenchment, we are not going to give them all that they want. We will only give them whatever is just necessary to carry on the administration.

Mr. S. O. Shahani (Sind: Non-Muhammadan Rural): Sir, in supporting the ~~cup~~ moved by Diwan Bahadur Rangachariar, I propose to begin at the very beginning. The total expenditure that has been proposed in the Budget amounts to about 135 crores and a half. If Honourable Members will refer to the first page of the Explanatory Memorandum by the Financial Secretary, they will find that this is a higher figure than that reached during any year from 1923-24 to 1929-30. The present is admittedly a very bad year; and yet the expenditure proposed for 1931-32 is very high. It has been claimed that the situation has been courageously handled. According to me, Sir, it has been not courageously but recklessly handled, as I shall show presently. Those that have the true interests of India at heart must view this large expenditure with the gravest concern. The Honourable the Finance Member has assured us that his estimates have been made on sound and reasonable lines. I find that the estimates with regard to revenue for 1931-32 too are anything but properly made. The total revenue estimated amounts to one hundred and thirty-five crores, eighty-seven lakhs and sixty-four thousand. If you once again refer to the Explanatory Memorandum, page 1, you will find that this is the highest figure ever since 1921-22. We have been suffering from a general economic slump; and we know that the prices have been falling with a crash. And new burdens must put back the trade. How, then, are we going to realise nearly 136 crores during 1931-32? I would refer to the estimates that are made in the Department of Customs, and Income-tax. If Honourable Members will look at page 2 of the Budget, they will find that the realisations from Customs have been shown at fifty-six crores, forty-five lakhs and ninety-seven thousand. If they will compare this figure with the figure of revised estimates for 1930-31, they will find that this figure is greatly in excess of the figure given for 1930-31. Analyse 56 crores, 45 lakhs and 97 thousand, you will see that the estimates of the realisations on the basis of the existing taxes come to 46 crores, 63 lakhs and 97 thousand, and that the anticipated realisations from the new taxes amount to 9 crores and 82 lakhs. The realisations estimated on the basis of existing taxation alone are greater than the total revised estimates for 1930-31, namely, 46 crores, one lakh and 93 thousand. If we will examine this latter figure we shall find that the realisations from the taxes on the existing basis amount to 45 crores, 13 lakhs and 93 thousand; and if we add to it the 78 lakhs realisable from the increased Customs and Excise imposed with effect from the 30th December, 1930, and then again the 10 lakhs realisable from the import duties on galvanised iron and steel pipes and sheets imposed with effect from the 30th December, 1930, we shall find that the total will still be less than the Budget estimate for 1931-32, exclusive of the anticipated increase from the new taxes. The trading profits have been low, and under these two main heads of revenue, Customs and Income-tax, we have been realising very much less than our anticipation. How then are the estimates, of the revenue and expenditure for 1931-32, to be adjudged reasonable and sound?

I will now request Honourable Members to look at page 11 of the Budget. There they will find that in the case of the direct demands on the revenue, the estimated cost of administering the various Departments enumerated there, namely Customs, Taxes on Income, Salt, Opium, Land Revenue, Excise, Stamps, Forests, Registration, greatly varies. I have

[Mr. S. C. Shahani.]

calculated the variation. I find that the cost in the case of Customs amounts to 1·7 per cent. of the revenue; and in the case of Income-tax it comes to 4 per cent. The cost of administering land revenue comes to 26 per cent. and the cost of administering excise comes to 39·7 per cent. which perhaps is the most significant. We can easily understand that the realisation from excise will go on decreasing. Mahatma Gandhi has been insisting, and rightly, upon total prohibition. If this circumstance be taken into consideration, the income under excise may reasonably be taken to have a great tendency to decrease. How, then, is the prohibitive cost of administering excise justified? In the case of land revenue and excise the Government have to employ no machinery as they have to do in the case of salt, and yet the total cost of administering salt comes to no more than 17·6 per cent., when in the case of land revenue and excise it is, respectively, 26 and 39·7 per cent.

I would now request Honourable Members to look into the detailed statements in respect of Demands for Grants for Posts and Telegraphs. If they will look into page 5, they will see that the total revenue from Posts for 1931-32 is estimated at Rs. 7,53,90,000, when the expenditure on it is expected to be Rs. 8,24,89,000. That is, there will be a deficit in 1931-32 of Rs. 70,99,000, or nearly, 71 lakhs. On examination I find that there has been a deficit equally large in previous years. I remember a time when Posts paid, and paid handsomely too. It is a matter of pity that the deficit in the case of Post should now amount to such a large figure. I have some little information with regard to how money is being wasted in Sind on Posts. I have always wondered as to why a new minor Circle has been created—the Sind and Baluchistan Circle. This has been costing to my knowledge Rs. 79,000 a year, whereas the original cost, when the component parts were under the control of the then existing Circles amounted only to Rs. 20,000. Now, a waste of Rs. 59,000 in these days when the great drop in the value of our trade is furnishing a great danger signal is, it will be agreed, altogether unjustified.

I revert to the Budget again, and would request Honourable Members to look into pages 12 and 13. They will there find the expenditure on military services. I have no intention of tackling the constitutional and military issues of vital importance, which are beyond our scope. I want to refer to what has been said by the Honourable the Finance Member with regard to the reduction made in military expenditure. The Honourable Member says that the military authorities have been persuaded voluntarily to effect a reduction to the extent of a crore and seventy lakhs. I want Honourable Members to look into the figures here and to note that out of this voluntary reduction, only Rs. 84,73,000 are to be saved. But not even this, for you will see that nothing is to be transferred to the military reserves during 1931-32. That is to say, the transfer of Rs. 46,49,000 made last year is not to be repeated. If this amount is deducted from Rs. 84,73,000, the net reduction will come to Rs. 38,24,000 only. This is only one aspect of the extravagance of the Departments. I would refer to another. My Honourable friend, Mr. Cowasji Jehangir, referred to the loss that would accrue to India from the lengthening of the period, for which the stabilised Budget of Rs. 55 crores, had been fixed according to the original plan. I feel that if he had pursued the

point further, he would have found that, according to the original programme, the expenditure from 1928-29 to 1933-34, would have been Rs. 320 crores. In 1928-29, Rs. 55 crores would have been devoted to the military expenditure; in 1929-30, Rs. 55 crores; in 1930-31, Rs. 55 crores; and in 1931-32, Rs. 55 crores. But in 1932-33, only Rs. 50 crores would have been devoted to the military expenditure, and so also in 1933-34. The total would have come to Rs. 320 crores. But according to the newer arrangement,

	(Crores.)
1928-29	55
1929-30	55
1930-31	54·20½
1931-32	52·50
1932-33	52·50
1933-34	52·50
Total	321·70

That is to say, there would be an ultimate loss of a crore and seventy lakhs.

The Honourable Sir George Schuster: Where does my Honourable friend get his figure of Rs. 50 crores for the two last years he mentioned?

Mr. S. C. Shahani: I have got my figures from the Military* Budget. I have not brought the Military Budget

The Honourable Sir George Schuster: My Honourable friend can hardly have seen the Military Budget for the year 1932-33 and for 1933-34.

Mr. S. C. Shahani: I am open to correction. I am not an expert such as the Honourable the

The Honourable Sir George Schuster: I think it is important to be clear on the point. The Honourable Member who was speaking worked on this assumption. He said that according to the original arrangement the Military Budget must be Rs. 55 crores a year for four years, that gave him Rs. 220 crores. He then said that for the next two years the Military Budget would have been Rs. 50 crores a year, and that meant Rs. 320 crores for six years. He then compared that figure of Rs. 320 crores for six years with the total figure which it will be for six years according to the assumptions which he has now made. I was only trying to know where he got his figure of Rs. 50 crores for the last two years of those six years. He seems to have assumed that, after the period of the stabilised Budget had been over, there was some undertaking to reduce the Military Budget to Rs. 50 crores. As a matter of fact, there was never any such undertaking. If the Honourable Member will work out the figures which I have given, he will see that in calculating the average expenditure I have assumed that, after the stabilised period is over, the normal military expenditure would be Rs. 52·50 crores. We had to take some figure as to what the Budget would be after that period, in order to work out what was the fair average. The point is not a very important one, but I saw that there was a danger of getting into some confusion over it.

*From the Explanatory Memorandum, page 29, paragraph 3.

An Honourable Member: An intelligent anticipation.

Mr. S. O. Shahani: Well, Sir, I should be sorry if there is a mistake in the calculation which I have put forward. I have based by calculations upon what is contained in the speech of the Honourable Member and the Explanatory Memorandum, and I have supplemented it with some little further study that I have brought to bear upon it. What I seek to make out is that the military expenditure is extravagant, and that it is capable of considerable retrenchment.

1 P.M.

Then I would refer Honourable Members to page 11 for what is being done in the case of exchange. They will find that in 1930-31 on account of exchange Rs. 47,78,000 have been spent and in 1929-30 Rs. 30,11,843. The cost of exchange from 1926-27 to 1928-29 putting it at a low figure of Rs. 30 lakhs per annum must have amounted to 90 lakhs. From 1926-27 to 1930-31 thus, the cost amounts to 1 crore, 67 lakhs and 90,000. All this would have been saved in the absence of an artificial exchange. In addition, there would have been a saving, if the 16d. ratio had continued, of 10 crores, 7 lakhs and 40,000 at a very modest calculation on account of the difference between the 16d. ratio and the exchange rate roughly 1s. 5½d. at the times of payment. It has been told us that if we attempt to meddle with our currency system at this time we would suffer greatly. Horrors have been conjured up to our imagination. So far as I can see, the issue is not between the two ratios of 18d. and 16d. What I want is an automatic currency instead of a managed currency needing constant manipulation, if it is to be maintained at all. We may agree that the 16d. ratio would have needed some manipulation; but that is no answer to those who demand a clear gold standard and currency. According to me, even a return to the single silver standard unconnected with gold, as before 1893, would be preferable and economically more beneficial to India. The present ratio of 18d. is, according to me, a miserable makeshift. It places upon the country's life a heavy load which must necessarily retard its recovery.

Then I would request Honourable Members to look at page 14. They will there find the programme for ways and means, which is in my opinion distinctly uneconomical, and altogether inadvisable, in the present circumstances. This programme argues a hand-to-mouth policy, which certainly the Government cannot be very proud of. The Budget provides for a new rupee loan to the extent of 15 crores. Why cannot an absolute halt be called to capital outlay? Interest will have to be paid upon this new loan, which will altogether nullify the little retrenchment that we may be able to secure for ourselves. The outstandings of the Treasury Bills in the hands of the public will increase, and will levy an unseen burden, for the discount is always paid at the start. Again withdrawals from the Post Office Savings Bank and from the Postal Cash Certificates are likely to be exceeded, if the present economic condition continues or worsens.

A Retrenchment Committee has been proposed, but I must submit that this committee will be of no use, so far at any rate as the expenditure and revenue of 1931-32 are concerned. It may have far-reaching permanent effects in the future, but for our immediate purposes it will be of no use. I would respectfully suggest to the House to make up their

mind to propose a cut of about 6 crores in the expenditure to be incurred for 1931-32, and then let a committee be appointed to find out how the amount of this cut is to be distributed to the several Departments. If we are assured that the estimates of expenditure are too heavy, and those of revenue too sanguine, the only course left to us is the one I am suggesting. The Honourable the Finance Member is a very able man. He knows how to use his words; but he also knows how to juggle with facts. If we have a Retrenchment Committee consisting of some Honourable Members of the House and some experts for implementing the retrenchment we make in the Budget for 1931-32, and for suggesting permanent reductions in our expenditure, then we shall be safe. The Honourable Member has delivered a sermon to us in respect of our contractual obligations, and he has praised the Indian Civil Service. He was probably afraid that we may not be able to see the value of the work that has been done for us by the Civil Service so far. I am not unmindful of the necessity of respecting our contractual obligations. I hope we shall never be found guilty of ingratitude. But our condition is abnormal and if at this time we request for a general reduction, it should not be resented. England is going in for a ten per cent. reduction of salaries, and there is no reason why we should not also do the same. The conditions of India are much harder than those of England. I am not at all unmindful of the excellent work that the Civil Service has done, or is doing; but when the Honourable Member makes bold to say that, prior to the inauguration of the Civil Service, there was darkness in India, that justice was not properly administered, that finance was not looked after, I beg respectfully to differ. As a student of history he must have realised that from 1722 right up to 1840, India's trade was in a most flourishing condition, despite the prohibitive duties that were levied against Indian commodities at English ports; and if that be true, I have respectfully to point out that some of the financial chaos at the present time is due to the Indian Civil Service. I am reminded that I have taken a long time. I therefore shall not go on with my criticism any further. I hope that what I have said will have the requisite effect.

Dr. Ziauddin Ahmad (United Provinces Southern Divisions: Muhammadan Rural): Sir, we are just coming to the end of a bad financial year. During the year we have over-spent, and our expenditure has exceeded our income by 12'68 crores. During the current year our debts increased from 11'36 crores to 11'60 crores, that is, by 24 crores, and a very disquieting part is that our sterling loan increased by 29 crores, while our internal loan diminished by 5 crores. This is a very disquieting feature, especially when we are on the eve of new reforms. Sir, the prospects held out to us are anything but brilliant, unless we substantially change our policy and substantially curtail our expenditure. Sir, we are in a very unhappy position. Here we have got the Government of India, who are responsible for the financial policy, incurring heavy expenditure, and we are in the unfortunate position of having to vote for new taxation. Now this is a very unfortunate position! I think, Sir, those, who are responsible for heavy expenditure, should also be made responsible for the fresh taxation, or *vice versa*. I therefore hope and trust that the Honourable the Finance Member and the Members of the Treasury Benches will realise that if they ask us to vote for new taxation, they should also take us into their confidence about their financial policy about their loan and

[Dr. Ziauddin Ahmad.]

about their detailed expenditure. Now I do not want to discuss today the financial policy, as we will have to do that in great detail when we take up the Finance Bill. I very strongly object to their pursuing the policy of contraction of money, their raising the rate of interest, their sale of Reverse Council Bills, and their raising loans at very high rates of interest in England. All these four policies require very serious consideration. I do not want to discuss them in detail today, but we will have plenty of opportunity to discuss them when we take up the Finance Bill. The Honourable the Finance Member, in paragraph 108 of his speech, pointed out that there was some panic in India and the people were anxious to send capital from this country to Europe, and to stop the exodus of India capital he had to fall back on these four methods which I have just described. Sir, may I just draw the attention of the House to the fact that he could have adopted a much simpler method of stopping the flow of capital from India to England, and that would have been to change the rupee ratio. Had he simply changed his exchange ratio slightly at the time instead of artificially keeping up these four methods just described, then the flow of capital from India to England would have been more effectively stopped. No doubt the stability of currency is a very important item, and every Government ought to guard it very jealously, but when the sick man is dying and is reduced to a very extreme position, then it is madness to stick to this policy and ruin the country. This is not my main point for discussion now; I will discuss that in detail later on.

Sir, we have three main sources of income and three main items of expenditure. Our three main sources of income are the Customs, the Taxes on Income, and the earnings from our commercial concerns, which include the Post Office, the Railways, Opium, Salt and perhaps Mint and Currency also. Now on the expenditure side, we have also three main items—(i) the Military expenditure, (ii) the General Administration, and (iii) the Payment of Debt. I do not want to take up military expenditure today, as we will have to discuss the question in detail tomorrow; and I think by adopting a different policy, it is quite possible to reduce military expenditure not by one crore or two crores but by a substantial amount. I take up the second item of expenditure, Civil Administration, which is really the important item for discussion today. Now, Sir, the Incheape Committee was appointed in 1922-23 in order to cut down the expenditure on the administration side, but to our great disappointment we find that the expenditure is constantly growing. Whereas in the year 1923 it was 8.65 crores, it has now risen to 12.67 in the current year, that is, it has increased by about 50 per cent. Now if the result of the Incheape Committee has simply been to increase the expenditure by 50 per cent., I would pray, for goodness sake, do not appoint more Retrenchment Committees. Sir, the Honourable the Finance Member, in his Budget speech, suggested the appointment of a Retrenchment Committee. That suggestion was very ably discussed by Sir Hari Singh Gour, who pointed out, by quoting the speech of the Finance Member, that retrenchments are of two kinds—those due to a change in policy, and those due to wiser administration of the existing system. Now if this Retrenchment Committee is going to discuss a change of policy including the military, then probably it will be worth while to have it, and it may lead to some substantial cuts, but if its functions on the other hand are limited only to dropping one clerk here and dropping another clerk there, then I may be permitted to contend that it will not be worth while to

appoint such a Committee, as the expenditure which we will then have to incur ~~on~~ it will not be justified by the results. Sir, when I joined the Finance Committee this year, I wrote to the Secretary of the Finance Committee to give us more opportunity to discuss the details of the expenditure. I suggested at the time that the Finance Committee should be split up into three sub-committees and each sub-committee should go thoroughly into the detailed expenditure of three or four Departments of the Government of India, but I was told that the rules in force did not permit of that, and it was suggested that all the eighteen or nineteen of us should sit together and discuss only minor questions, for instance whether an increment of Rs. 100 should or should not be given to an officer in Bombay or Burma, but the broad question whether any substantial cut could be made in the administration, whether the financial policy could be revised, was denied to the Committee; and whatever functions the Honourable the Finance Member may want to assign to this Retrenchment Committee, may very well be handed over to the Finance Committee, if it be permitted to work in sub-committees, and certain changes are made in the procedure. We have seen that the Public Accounts Committee have already done very good work in this connection, but unfortunately their work is post mortem work: it is criticism indulged in when it is too late. So if more opportunities are given to the Finance Committee, if that Committee could go into details of administration and establish direct connection with the Land and Revenue Department, then it will be quite possible to effect substantial savings. The Finance Committee will then be in a position to scrutinise expenditure and find the reasons why the expenditure in the Civil Administration has been allowed to increase by 50 per cent., in spite of the recommendations of the Incheape Committee to the contrary.

Now I come to Military expenditure. Though it is shown on paper that we have diminished the expenditure next year from 55.30 crores to 52.60 crores, really speaking, the expenditure has not diminished, because they paid in another crore and 73 lakhs by the back door. This amount has been paid to them by the Railway Board. We can discuss it in greater detail tomorrow.

Now the third important item of expenditure is the question of Debt. Here we find that this year the interest on our public debt has increased by 2 crores. Now this is a very disquieting feature. If we go on raising new debts every year and increasing interest by two crores of rupees each year, we soon become bankrupt. By simple arithmetic, and the Finance Member is quite expert at that, it is possible to calculate the time by which the whole of the revenues of the Government of India would be used up in the payment of debts. This is a thing we should guard against, and we should not try to increase our debts and thus as a consequence increase the interest which we will have to pay out of the revenues.

Sir, I now come to the income side, and it is a thing which we should look into in order to avoid fresh taxation. The first is the question of Customs. I cannot propose any substantial change today, but I may venture to make some suggestions which may be considered at the time when this financial arrangement in the Round Table Conference is taken in hand. The income derived from Customs is consumed entirely by the Army which we must maintain for the defence of India. This question of defence is a question of importance not only for the people of the British India, but it is a question of equal importance to the Indian States. I think that it is

[Dr. Ziauddin Ahmad.]

but just and reasonable that the Indian States may also be asked to contribute for the defence of India. It will however be a point to be considered whether it is not possible that Customs by some arrangement with the Indian States be made a Central subject and the Government of India should be responsible for the collection of the revenues by means of Customs. Now, I know that there may be some difficulties in the Treaties, but when we are considering the whole constitutional question, this point can also be discussed. Some contribution may be made for the financial losses of the States, but the very important point is that the whole Customs ought to be arranged by the Central Government and not allowed to be managed by individual States. Now, Sir, no person is more qualified and can appreciate the difficulties better than the Honourable the Finance Member himself. There are serious difficulties, and there are serious questions of smuggling and there are serious questions of hard and unfair competition in business on account of differences in tariffs and differences in Custom authorities. I hope that this is a point which will seriously be taken into consideration when we begin to discuss the financial arrangements to be arrived at between the Central Government and the Indian States.

Sir, the second question relating to the sources of income that I wish to take up is the question of Income-tax. This also is a question which we ought to discuss very carefully in the Round Table Conference, and I am strongly of opinion that the collection of income-tax ought to be transferred to the provinces. There are so many serious difficulties in the administration of the collection of the income-tax by the Central Government, and the collection would be more economical if it were left in the hands of the Provincial Governments. Of course, I do not want to enter into very great details of this particular subject, but I am perfectly convinced that the collection would certainly be cheaper and more effective if it were transferred to the provinces. My second point is

Mr. President: Order, order. I have allowed considerable latitude to the Honourable Member. I should like to draw his attention to the motion now before the House, which proposes to censure the Government for neglecting to effect substantial retrenchments in all the Departments. It has nothing to do with the Round Table Conference, and any remarks relating to it are not relevant to the present motion.

Dr. Ziauddin Ahmad: Sir, I stop this particular part of my speech at this stage and will take it up when the opportunity arises.

The next question which I wish to take up is the third source of income,—the income from Commercial concern, namely, the Post Offices, the Railways, Opium and Salt, and I should add Currency and Mint.

Mr. President: The Honourable Member should restrict his remarks to retrenchments in these Departments.

Dr. Ziauddin Ahmad: I just want to discuss that administration in order to increase the source of income. Sir, if we exercise some kind of retrenchment, then we will be able to have more money available and the taxation will become superfluous. I first referred to the case of the Post Offices. Now, Sir, the Post Office is a paying concern in every country and we find that even here in India the Post Offices yielded a revenue of 1.88 crores in the year 1926; in 1925 they paid 80 lakhs. Then the administration began to break down. Something happened and the business suddenly began to be a losing concern. The result was that, instead of yielding an income,

it began to show signs of serious financial losses. In the following year we had to pay from our own pocket 5 lakhs of rupees; in the current year the loss amounted to 1.59 crores, and this year we have shown a deficit of 97 lakhs. So, this commercial concern, which ought to have been a source of profit to us, has really become a source of loss to the revenues of India. Sir, this is a question which requires very serious consideration from the Executive Council. This Department ought to yield an income. I wish we had a special committee to inquire into the question of the income of the Post Offices, as it is a very important question. Instead of having an income of a crore of rupees from this Department, we are actually losing a crore of rupees; thus we are losing about 2 crores of rupees. If we could reform only this Department and save these 2 crores of rupees, then the proposed fresh taxation on income will no longer be required.

Sir, the second point to which I would draw the attention of the House is the second commercial undertaking, namely, the Railways, the details of which we have already discussed. Sir, when I first began my rule of three in arithmetic, my teacher put a question to me like this. The price of a horse, whose age is 20 is Rs. 100, what would be the price of the horse whose age is 30. As a young boy, I only applied this simple rule of arithmetic and increased the price in the ratio of 2:3. But the teacher said, I was wrong. He said in case of an old horse I should apply the rule of inverse proportion, that is to say, instead of increasing the price in the ratio of 2:3, it should be diminished in the ratio of 3:2! Sir, I thought that this example of inverse ratio could be applied only to the old horse, but I find that this is also applicable in the case of our Railway Department. I will just give you the figures. I have before me the figures supplied by the Financial Secretary (pages 46 and 47). In the year 1923, our capital investment was 517 crores; in the following year our capital rose to 537 crores and it went on every year. Today it is 745 crores of rupees.

Mr. President: The Honourable Member is still going on about the revenue of the Railway Department. The motion before the House is what retrenchments should be effected in the various Departments. If the Honourable Member will restrict himself to the motion before the House, he will be in order. I cannot allow him to discuss the Railway Budget which has already been disposed of.

Dr. Ziauddin Ahmed: The point which I was pressing is this, that the Executive Council ought to carry on retrenchments in commercial concerns. If the retrenchment is carried on thoroughly in all the commercial concerns, and particularly in the Post Office and the Railways, then the new taxation will not be needed. That is really the point which I want to make out, and from this point of view I say that, though our capital investment on Railways is increasing year after year, our income from the Railway Board has been steadily diminished during the last eight years. I would like the Honourable Member just to refer to the figures supplied to us on page 28. In the year 1923-24 they gave 6.44 crores; this year they have reduced it to 5.36 crores. Therefore I want to conclude by saying that if our commercial concerns are better managed, if instead of giving us a loss, they are administered at a profit, and if we are to make some retrenchment in the civil administration and also in our Army, then fresh taxation will not be required.

The Assembly then adjourned for Lunch till Half Past Two of the Clock.

The Assembly re-assembled after Lunch at Half Past Two of the Clock, Mr. President in the Chair.

Mr. C. C. Biswas (Calcutta: Non-Muhammadan Urban): Sir, I thank you for giving me this opportunity to speak in this debate. I am not quite sure though, if we on this side of the House can serve any useful purpose by moving these cuts. We have been moving these cuts from year to year, and I can almost imagine my Honourable friend, the Finance Member, laughing in his sleeve and saying to himself, what simple fools are these that they should be moving these cuts when nothing comes out of it at all! All the same, Sir, I noticed, and other Honourable Members in the House must have noticed as well, that Sir George Schuster for the last few days has been somewhat haunted by the nightmare of his successors. Well, Sir, if nothing else will do it, I hope that that troubled vision might, at any rate, induce him to take up a different attitude towards the proposals which are brought forward from the non-official Benches. Sir, we move cuts, we offer our suggestions, we make our comments, but what do we get in return? Beyond the formal courtesy of a very polite reply,—and even that we sometime miss,—we do not get very much further. The executive is irresponsible and unresponsive. We have nonetheless a duty to perform, be it no more than performing what I might call the mere lyrical function of speaking out our minds.

Sir, I believe it was Mr. (now, Sir) Arthur McWatters who in his evidence before the Hilton-Young Currency Commission stated that India had reached the limit of her taxable capacity. That was five years ago, in 1925. Since then, during the quinquennium that has followed, I believe the Honourable the Finance Member will admit that the economic deterioration of India has been both acute and widespread. If that be so, I ask, Sir, if India in 1925 was not in a condition to bear more taxes, is not she much less fitted today to support any additional burden? All the same, the Honourable the Finance Member, through callous indifference, or for some other reason, I do not know, has thought it proper, and necessary, too, from his point of view, to impose a further burden this year. What is that burden? Sir, you remember that last year, some additional taxes were imposed; and taking the taxes which were imposed last year, with the additional taxes which are proposed this year, I believe the burden will not amount to anything less than 22 crores of rupees. When I say that, I would point out that the proceeds of some of the taxes which were levied last year exceeded the estimates of the Honourable the Finance Member. It may be that this year, too, the estimates which he has made will prove to be under-estimates. If that be so, the burden will be all the heavier. Sir, I venture to submit that, before you proceed to add to the burdens of the Indian taxpayer, you should satisfy yourself and satisfy the public that you have done all that was possible in the way of retrenchment. I remember, Sir, having read somewhere that there are three things which always do stretch,—the first is, a story oft repeated, the second is, a scrupulous man's point, the third is, the conscience of a hypocrite. Sir, I believe the Honourable Sir George Schuster would wish us to add a fourth to the list, that is, the Indian taxpayer's capacity. I wish, however, to warn the Honourable the Finance Member that that taxable capacity has reached almost the breaking point, a point at which what is called the law of diminishing returns will probably begin to operate. In that case, it may turn out that the

new taxation will mean that you are killing the goose that lays the golden eggs. Sir, I claim that there is no scope for more taxation, and the Honourable the Finance Member will forgive me if I say that we, on this side of the House, find it very difficult to believe that he is really earnest or serious about retrenchment, or that he has been as thorough or as quick as he might have been in his plans for economy. Sir, I was just looking at the speech which the Honourable the Finance Member made in this House last year, and in that speech he dealt with this question of retrenchment. What is it that he then stated? He reminded the House that in the previous year, that is to say in 1929, he had given them an undertaking to make "a close scrutiny and survey of the growth of expenditure during the past five years". That was in 1929. The following year, in 1930, what was the outcome of that? What did he say? He said that reports had been prepared for each Department. The inquiry had not, however, been completed. All the same, the Finance Member was convinced that the materials which he had obtained were sufficient to enable him to say,—I had better quoted his own words:

"A good deal remains to be done in the way of completing the details of this inquiry, but I have gone far enough to come to the conclusion that for various reasons we cannot count on being able to find any substantial margin for reduction in the cost of the civil administration of the Central Government."

Sir George Schuster was not still to be daunted: he would still pursue his quest for economy, though he knew well enough that in his opinion there was no room for retrenchment. What he did, therefore, was to announce that the Government had decided to appoint a special officer to complete the inquiry. The position, then, was this. In 1929 there was the undertaking for a close investigation. Then, in 1930 it was said that Reports had been received from the Departments, then there was the decision to appoint a special officer. That special officer was appointed in the person of Mr. Jukes. What came out of that? If you look at paragraph 45 of Sir George Schuster's Budget speech, you will find he refers to that. Mr. Jukes' Report is not yet complete and is not yet before us! The Finance Member tells us that "for reasons beyond our (i.e., the Government's) control", it has not been possible to place that Report before the Honourable Members of this House up to now. That is how this thing has been going on. And if in the face of these facts, we on this side of the House are disposed to accept the statements and assurances of the Finance Member with a grain of salt,—of the taxed salt of India—I believe he will forgive us. Now, Sir, this year a further promise is made to us. We had a special officer last year. In addition to that, we are now given a Retrenchment Committee—a sop to this House. All the time though, be it noted, the Finance Member keeps on reiterating his view that there is no margin, at any rate no substantial margin, left for further economies in the civil administration. That is, I say, not the right way of setting about this business, at any rate that is not the way which appeals to us. Sir, we know how the Incheape Committee had set about their business. If you want to retrench, I say, you can retrench, and it should be unnecessary for you to have resort to these expedients or these excuses for delaying or for evading action. Sir, in paragraph 75 of his speech the Finance Member, referring to the position this year, says:

"Expenditure and revenue returns will have to be carefully watched, and if conditions show signs of deterioration, it may be necessary to take interim measures to counteract them."

[Mr. C. C. Biswas.]

May I ask in all humility, what was done during the previous year? Was it not apparent to the Honourable the Finance Member, as the year progressed from month to month, that deterioration was proceeding at a devastating pace? And still what are the interim measures which he had taken for the purpose of counteracting that tendency? Beyond appointing a special officer who has not yet completed his inquiry, nothing further seems to have been done. Sir, I do not wish to go into details, but I might just give you a few instances which occur to me only by way of typical illustrations to show how it is possible to effect some economy in the civil administration, only if you have the will to do it. I will take a Department with which the Finance Member is familiar. I will first take the post of Controller of Civil Accounts, a very highly paid officer. May I ask why, if the situation was so bad, it was not found possible to hold that post in abeyance, as had been done once during the war when Mr. Alder held the post? Take, then, the post of Deputy Auditor General, Administration. May I ask where is the justification for having this post in class I, when this post was originally in class II under the designation of Assistant Auditor General; and especially when a third appointment in class I under the Assistant Auditor General has been added to the office? Then, Sir, I ask, do you really require a separate Chief Auditor, in the rank of an Accountant General, for each of the two Railways in Calcutta, the East Indian Railway and the Eastern Bengal Railway, with a Deputy for each of these Railways in class I? I doubt if the Chief Auditor and the Deputy have more than a couple of hours' work each, especially in the Eastern Bengal Railway. Is it not possible to combine the functions of statutory audit for these two Railways in one officer, one Chief Auditor, with two Deputies to help him, one for each of these Railways? Then, Sir, in the Standing Finance Committee I found that there was a post of Financial Adviser for the Posts and Telegraphs Department. I believe I am correct in saying—I am speaking subject to correction—that in a province the Accountant General performs the functions also of a Financial Adviser. If in a province the Accountant General can act also as a Financial Adviser, is it very necessary that a small Department like the Posts and Telegraphs should have a separate officer (in Accountant General's rank) as Financial Adviser, which means a larger establishment and larger costs? What again, is the object in having the post of Deputy Accountant General, Posts and Telegraphs, Calcutta, in class I? This office is not bigger or more important than other Postal audit offices, where the Deputy Accountant General in charge gets class II pay. Then, Sir, I find that there is a craze for extending the commercial system of accounting to every Department, which of course means increased costs. The Postal Department, for instance, is now treated on a commercial basis. I am a layman, but I suppose a commercial concern is one in which there has been outlay with a view to get a return on it, but if it is all a question of rendering services, that does not make a concern commercial. Why, then, should the Postal Department be treated as coming within the category of a commercial concern? There is very little outlay of a capital nature in that Department. The thing is as absurd as if you treated the Roads and Buildings Branch of the Public Works Department on a commercial basis. I can quite understand the Irrigation Branch being regarded as a commercial concern; so also the Railways, and also the Army for the purpose

of comparison of cost with such expenditure in other countries, but what justification is there for treating the Postal Department as a commercial concern? Could you not save the costs by abandoning that policy? I say that for the purpose of accounting the Postal Department should be separated from the Telegraph Branch, in the same way as the Roads and Buildings Branch is separated from the Irrigation Branch. I am referring to these only by way of illustration. I maintain that your administration is top-heavy, it has been made purposely top-heavy; and beyond some soft and sympathetic words from the Finance Member and the other Members of Government, we have had no further satisfaction by way of real effective retrenchment. I say, that will not do. The only consolation is this: we are we hope, coming to the end of this blessed régime, the grave of the Bureaucracy is being dug; we can almost hear the thud of the spade and the music of the knell.

Mr. B. V. Jadhav: Its place will be taken by another bureaucracy.

Mr. O. C. Biswas: Sir, the Finance Member has been profuse in his anxiety to assure us that all that is possible is being and will be done in the way of retrenchment, but we do not find any evidence that any measures have been taken for a substantial cut in the salaries. The Finance Member referred to this matter in the course of his speech, but what did he say? That this would mean—if there was to be a cut in the salaries—that we should be cutting at the roots of confidence in the good faith of Government and be likely to create a feeling of uncertainty in the public services. May I ask, how is it that such considerations have not stood in the way of similar cuts being given effect to in other countries? In Germany, in England, and even in Argentine, there have been such reductions, but we never heard any such plea of impairment of confidence in the good faith of Government there.

I will not go into the question, as the Honourable the Finance Member has not gone into it in his speech, as to whether or not India is having to pay for a very costly administration, much more costly than she needs. All the same, I do not see why the Finance Member should not have taken courage in both hands and proposed a substantial cut in salaries. At any rate, that would have given some earnest of the *bona fides* of Government; that would have shown that Government were prepared to make a sacrifice themselves before calling for a sacrifice from others. Sir, there has been recently in other countries such a thing as a sacrifice tax. The salaries and the scales of salaries remain as they are, but a sacrifice tax is imposed to bring down the net payments to a level commensurate with the economic position of the country and with the severe drop in prices. Such a tax can be removed or may be lightened, if prices again soar to giddy heights or the country attains an increasing measure of prosperity. I should have expected, Sir, that an appreciation of the country's state of finances as well as of the increased purchasing power of money would have impelled the Government officers to come forward themselves and voluntarily submit to a sacrifice tax, thus setting an example in retrenchment. Before you think of imposing additional burdens on the Indian taxpayer who is already overburdened, it is only

[Mr. C. C. Biswas.]

just and fair that you should satisfy the public that you have done all that was possible in the way of reducing your own expenditure. There is no indication of that in the Budget speech of the Finance Member, or in the Budget policy of the Government. The British Chancellor of the Exchequer did not hesitate to take such drastic steps even at the risk of great unpopularity in his own party. What we too want is such measures—not halting measures, not measures which will prove futile, not special officers and special committees; we want action; we want action resolute and radical, which will bring about a substantial lightening of the taxpayers' burdens. That is what we want, and that is what we so sadly miss.

Sir, a favourite argument for delaying action on these lines is that we are now face to face with constitutional changes of a very important character that the whole future is in the melting pot, and therefore we cannot think of retrenchment at this stage. I do not think that is a fair argument to put forward. How does this question of carrying on the day to day administration depend necessarily on what the future constitution may be? Coming changes in the constitution did not stand in the way of the appointment of special officers—of the duplication, triplication and multiplication of services. Why should they, then, stand in the way of retrenchment, if you are really keen on retrenchment? Mr. Jukes was put on this job. I do not know if Mr. Jukes was keen on this job, or the Government were keen that Mr. Jukes should do his job; but what we know is this; that Mr. Jukes had been superseded by Mr. Burdon as Auditor General, and some job had to be found for Mr. Jukes. Whether that affords a true explanation of the special duties which were put on Mr. Jukes, is more than I can say. But this is how things have been going on, and that is the state of things against which we on this side of the House deem it our duty to enter our most emphatic protest.

Sir Hugh Cocke. (Bombay: European): Sir, I just want to say a few words on this retrenchment cut which has been moved by the Honourable the Leader of the Opposition. While we realise in this quarter of the House that a considerable amount has been done by the Finance Member in the interests of retrenchment and he has shown, I think, very clearly from his Budget speech and in other ways that he has had retrenchment very much on his mind, we are not satisfied that everything that could have been done has been done, and we are therefore going to support this token cut against the Government. I do not want to enter into a lot of detail, although perhaps the Honourable the Finance Member may well complain if we support a cut of this nature without having specific items to which to refer—cases in which we consider expenditure should have been cut down. I can only deal today with general figures and I look at the expenditure of the 'Income-tax Department. I take the four years' figures which are given in this Explanatory Memorandum, and I see an increase in the expenditure on running the Income-tax Department from 65½ lakhs in 1927-28, to 77½ lakhs for the Budget year, an increase of Rs. 11,66,000, in collecting much the same figure of revenue. It is true the Budget figure

of revenue for the coming year in a good deal higher than the year 1927-28, but I do not imagine that will justify any enlargement of establishment. The Finance Member has told us that a lot of increased expenditure is due to the normal increases of staff pay. To some extent these Departments are new or they have been considerably enlarged in the last ten years and the Income-tax Department has in particular, and of course you have got the greater part of the staff subject to their normal increases, and that gives you an automatic increase which is very difficult to reduce. One can only suggest in those cases that some of the higher posts should be cut out from a business point of view. The reply to that may be that the

man is there under contract and he cannot be got rid of. All
 3 P. M. that I can say is that no Department of Government really ought to be run on lines that you cannot retrench the expenditure in the establishments. It ought to be possible to have a sufficient number of people under short contract so that you could cut out various persons at short notice and so reduce your expenditure when necessary.

Then in the Civil administration again, I referred to the figures the other day. They showed in the four years an increase from 11 crores 20 lakhs to 13 crores 16 lakhs, an increase of very nearly 2 crores in four years. Miscellaneous expenditure also increased from 3 crores 75 lakhs to just over 4 crores in the Budget year. All the figures show an upward tendency, whereas one would have hoped, in view of the depression that exists, that it would have been possible to have got all these figures down to a point nearer to those with which I make comparisons of three or four years ago. I know the difficulties in the way. I also know that the Honourable the Finance Member has done a lot towards this issue, but we feel, in view of the protests we have had from our constituents mostly in the bigger towns, that at a time when their emoluments have been cut down and their bonuses extinguished, they are called upon to pay a considerably enhanced taxation, naturally retrenchment must be pressed over and over again upon the Government. We pressed it last year, and we desire to press it again this year and we shall continue to press it until the taxation on the community we represent becomes less burdensome.

Sirdar Harbans Singh Brar (East Punjab: Sikh): Sir, we heard the Honourable the Finance Member say that there was no possibility of any appreciable reduction in expenditure either by stopping wastage or by reduction of staff or salaries of officials in the Government of India. I would like to take some of the Departments one by one, where, I think, a large percentage of reduction in expenditure is possible. During the discussions in the Standing Finance Committee we came across the Posts and Telegraphs Department, where we found that in the Budget for 1930-31 provision was made for 59 lakhs. Up to the end of November, when eight months of the year had passed, only 16 lakhs had been spent, while in the ordinary course 40 lakhs should have been spent. The explanation came forth that they tried to spend all the money during the last four months of the year. I have come across privately many cases where, about the end of February, letters were received by the Departments from the head of the Department pointing out that in the previous year so much money was sanctioned and asking them why they had not

[Sirdar Harbans Singh Brar.]

spent it till then, and saying that they must try and spend it before the 31st of March. I personally think, Sir, that this is not a policy of retrenchment, this is not the way for carrying on the administration of the Government profitably, but this is an attempt deliberately to waste public money. It is for the officers of the subordinate Departments to ask for money when they want it, and it is not for the administrative departments to call upon their subordinate offices to spend the sanctioned amount within a certain time; in fact administrative Departments should not allow the money to be spent by the subordinate offices in any way they like. In many other cases in regard to new items of expenditure, when we asked them if they could not reduce it by some substantial lump cuts say of 2 lakhs out of 8 or 9 lakhs, they readily agreed without pausing for a single moment for a cut of 2 lakhs. That shows, Sir, that there is too much of over-budgeting in all the Departments, and if a thorough inquiry is made into the whole affair by the Finance Department, a lot of wastage could be stopped and the administration could be carried on at much less expense than at present.

Then for ordinary police stations in New Delhi, we found that in the Demands for Grants they wanted about 1 lakh and 50 thousand rupees for a building consisting of about ten rooms. Now, there could have been a lot of saving in that if an attempt towards economy had been made. For instance, about 87 lakhs has been spent for the Council House, and it could certainly have been built much cheaper, considering the poverty of India, and without much grandeur or beautification of the place. Sir, from the Finance Department we get letters of just this size (here the Honourable Member showed the size of the paper and also of the cover with his hands) and an envelope of about 2 feet long by 9 inches wide, as thick as Serge. There could certainly be a lot of saving in printing and stationery if real economy is observed.

Then in the Army and the Railways, as has been admitted by Lord Rawlinson, about 2,000 officers are simply kept there to provide occupation for professional Army families of England, so that these people must be provided with opportunity to keep up their family tradition and remain here. Sir, there is so much good material available among the martial races of India that we could easily avail ourselves of the experience of the States where they have been keeping armies for centuries and centuries, and we could, by putting Indian officers in charge, reduce much of the military expenditure. Sir, the allowances, overseas pay and other extra emoluments the English officers are paid impose some sort of discrimination. The majority of the persons who are Indians in these services also keep their families and children in England for education, Their families go to England, but they do not enjoy the same privileges regarding passage concessions, etc., as their European brother officers, and I think, considering the high rate of salaries paid in India and during the present period of economic depression, we could quite profitably request the European officials to make some sort of sacrifice in the general interests of the country which they have the honour to serve and whose salt they eat every day—I think these people should be asked to give up the special privileges

for as long a period as the present depression continues, and I am sure that in this way a lot of reduction could be effected.

Then I came across during the discussions in the Standing Finance Committee an item regarding Baluchistan. There is only one Executive Engineer in the Irrigation Department, and to superintend his work a Superintending Engineer has been appointed on a huge salary. It would have been much better had they given the Executive Engineer one or two more Sub-Divisional officers to help him in his work rather than appoint a Superintending Engineer on a huge salary to supervise the work of an Executive Engineer.

Then again, Sir, in the Public Works Department we find that the staff which was appointed when the construction of New Delhi was first taken in hand has not been reduced though the construction of this new city is practically completed; on the other hand, the staff has been increased, though the work is almost completely finished and only maintenance is required. Today we got the answer that about Rs. 17 lakhs is the cost of the establishment of the Public Works Department for New Delhi alone and another 19 lakhs for other maintenance. I think in the whole of the Punjab, the Roads and Buildings Branch does not cost so much for establishments. After all, the Punjab is a much bigger province than this New Delhi city, and yet the expenditure incurred on the P. W. D. establishment is very much less than is incurred by the P. W. D. of New Delhi on one city alone. It may be the headquarters of the Government of India, but no other country, even the richest in the world, has tried to waste money like this simply for the sake of grandeur and beautification of the city and roads. I have during my five years stay in England never come across during the bad weather months like November, December and January any proposal put forward by the British Government that they should move to some other place having a better climate like Bournemouth or Torquay. Nor has the French Government ever suggested their moving to the southern parts of that country known as the Riviera. It is only in India, which is the poorest among the poor countries that we have this bureaucratic form of Government, which tries to waste every single penny they can get hold of, over-burdening the peasantry of India with heavy and increasing taxation, and getting up to a hill station to spend seven months there every year. We do not grudge the Governors and the Governor General, or even Members of the Executive Council going there, and they could deal with their Departments at Delhi by telegraph, telephone and post and a lot of saving could be effected there. 15 crores of rupees have been unnecessarily spent on this city, and Rs. 86 lakhs are spent annually on its maintenance, and still the Government of India utilises this new city only for five months in the year. That I should call a scandalous waste of the public trustee money which is in their charge and I think that when the provision in the budget is so excessive considering the income per head of the population, the Government are not trying to reduce the expenditure. They say you may have a Retrenchment Committee, but there is no chance of Government being able to carry out any reduction either in the staff or in the salaries. When the Honourable the Finance Member tells us that, I do not think there is any use in our appointing a Retrenchment Committee, when the Government are not

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prepared to help us. They are experts in the matter, and they could help us if they wished, as all countries in such years try to do. It is not the less spending of money in the Government of India which will reduce the credit of India in the eyes of the world, but I think it is the over-taxation of the masses. It will bring the machinery of Government to a standstill and the country's financial condition to a state of bankruptcy in a few years if you continue the present rate of taxation and increase the burden upon the taxpayer every year without any corresponding reduction in expenditure.

With these remarks I conclude, but I request Government that they should try their level best, through the advice of their expert officers in the Departments available, to reduce as far as possible over-expenditure and avoid over-budgeting by a reduction in the staff and salaries.

Mr. K. P. Thampan (West Coast and Nilgiris: Non-Muhammadian Rural): As the motion under discussion relates to substantial retrenchment in all Departments, I hope that I shall not be out of order if I make a few observations on the dire necessity for retrenchment in the Postal and Telegraph Departments. Sir, my Honourable friend, Mr. Biswas, said a little while ago that the Postal and Telegraph Department ought not to be treated as a commercial concern. I hold altogether the opposite view. It must be treated purely as a commercial concern, and ought to be made not only a self-supporting but a paying concern. As a matter of fact, the Department did contribute something to the general revenues till a few years ago, but, unfortunately, for the last seven or eight years it has been continuously losing very much. I find at pages 12 and 13 of the Explanatory Memorandum supplied to us, that the Postal Department worked in the year 1927-28 at a loss of Rs. 26.15 lakhs in the year 1928-29 at Rs. 53.84 lakhs and in 1929-30 at Rs. 62.45 lakhs. In the current year the revised Budget estimates show a deficit of more than double of the previous year's loss, namely, Rs. 136.36 lakhs, and we have budgeted for a still larger deficit of Rs. 141.19 lakhs for the ensuing year. You will see therefore that for a series of years the deficit has been mounting up enormously. The Honourable the Finance Member stated that he had given instructions to all Departments to make effective retrenchments in their Budget proposals, but what do we see from the figures placed before us? The total working expenses of the Postal and Telegraph Departments are, as disclosed in the figures, Rs. 16 lakhs more for the ensuing year than for the current year. If this is an earnest of the retrenchment that is going to be effected under the orders of the Finance Member, I really do not know where we shall land ourselves.

Sir, I said that this Department ought to be made a paying concern. In England there was a net gain of £10.125 millions in the year 1930-31 from the Postal and Telegraph Departments. Sir, it is the same British Government that administers this country and I wonder why they should not take a lesson from their experience in Great Britain. I took some trouble to find out how the Postal Department was working in the Colonies. In Australia, though in the year 1927-28 there was a loss of £88,000 and odd, they made a large profit of £320,920 in the year 1926-27 and £119,821 in 1925-26. So, in Australia the Postal and Telegraph

Department has been a steady source of income to the Government. I find that the system of collecting annual returns in Canada and South Africa altogether varies from our system in certain relevant items of revenue going to other Departments, and therefore it was impossible for me to get the correct figures. I am sure that, as those Colonies are self-governing countries, very strict control is maintained and you may take it for granted that the Department must be paying.

I am inclined to think that there is no inducement, no incentive for the Director General to effect retrenchment. His salary is non-voted and why should he bother? The fundamental principle of administration, if you refer to *Kautilya's Artha Sastra*, you will find that every Department must be made, as far as possible, self-supporting. Here the administration is irresponsible. It looks as if he has instructions to put up the expenses as much as possible. Otherwise, why should he sit quiet while there is ample scope for retrenchment? At any rate, he has not done anything, and this, I think, is inexcusable, to make the Department self-supporting.

Sir, it is high time to decide how the large deficit should be made up. There are two ways of doing this, either by additional taxation, or by retrenchment. So far as this Department is concerned, additional taxation is out of the question. Sir, I know the time was not long ago when the postcard was sold at three pies and an ordinary embossed cover at six pies. Now, we have doubled the prices. So also, in the case of telegrams, the charge for ordinary messages was six annas, and for express only it was twelve annas. The rates have now been doubled. Therefore, any proposal to further increase these rates is not practicable. The only course open then, is reduce the cost of establishment, we strongly hold that the salaries of officers in the Department are very high, higher than is desirable and warranted, in spite of the declarations of the Honourable the Finance Member. The Honourable the Finance Member said in his speech:

"If Honourable Members will trouble to compare figures for other countries, they will, I think, convince themselves that the administration of India has hitherto been carried out, on the whole, at a very low cost."

We beg to disagree from him. It is distinctly the other way. I remember to have read in the *Modern Review* sometime ago a comparative statement of salaries of Government servants in all countries of the world. Unfortunately I am not able to place it before the House now, but I undertake to send a copy to the Director General or the Finance Member whoever wants it. There it is categorically shewn that the salaries prevailing in this country are very much larger than those prevailing in other parts of the world. As a matter of fact, India has the heaviest administration.

Now, it must be remembered that the present scale is the effect of increments given under abnormal conditions. These increases were given when the prices of foodstuffs and other necessities were at a very high rate. Now that the prices have come down by 35 per cent. and conditions are normal, there is absolutely no harm in reducing or restoring the salaries to the old scale. It has been suggested by my Honourable friends here that the salaries should be reduced on a telescopic basis. That is, those getting Rs. 1,000 and over may be asked to give up 25 per cent, those that get Rs. 500 and over 15 per cent. and those that get Rs. 30 and over 10 per cent. That will not certainly work as a great hardship on these people.

Mr. R. S. Sarma (Nominated Non-Official): Do you suggest this in addition to income-tax?

Mr. K. P. Thampan: Yes, certainly. As my Honourable friend Mr. Rangachariar said, officers are the only people in the Assembly who show smiling face because they have no cares. Now that the question has been asked, I shall tell you I know a few Government servants, particularly of the Postal Department, who meet all their ordinary expenses out of their travelling allowances and other things. They save the whole of their salary. I shall give you an illustration of how some of them behave. It was brought to my notice by a correspondent the other day that one of the Superintendents was travelling in the second class with a third class ticket or even without it and was surcharged. He must have drawn from the Government travelling allowance at the rate of one and three-fifths first class.

Mr. H. A. Sams (Director-General, Posts and Telegraphs): That may occasionally happen, but it is entirely against the rules of the Department. The officer who does that is looked on as dishonest and is punished.

Mr. K. P. Thampan: I have got with me the letter from my correspondent who asked me to put an interpellation in this Assembly. I did not do so because I thought it was a purely personal matter. I will forward that letter to my Honourable friend Mr. Sams if he wants it. Here is another instance of an item of expense which could be curtailed. My correspondent wrote to me that the quarters of the Postmaster of Calicut have been lying vacant for two years, he living elsewhere, and are being used as a cowshed. This was brought to the notice of the Postmaster General at Madras, but no notice has yet been taken. The Department pays at the rate of Rs. 80 or so per month as rent. If the Postmaster does not want the building, why keep it?

I made a calculation to find out what the salaries of all the servants in the Postal and Telegraph Department, who are getting more than Rs. 30, come to. From the entries between pages 15 and 74 and 120 to 128 of the statements I find that the total comes to the tune of about 5.55 crores. I have entirely left out all items of salaries, which range between Rs. 10 and Rs. 100, and there may be many in them which are more than 30 rupees. You will find, if the accounts are more closely and carefully examined, the total exceeds Rs. 5.55 crores. If you reduce the salary by an average of 10 per cent., you will effect a saving of 55 lakhs. On the expenditure side of the statement you find all kinds of entries. You have got the salaries of establishment, items such as house rent, cost of passages, hill journey allowances, travelling allowance, honoraria, payments on account of medical treatment, rates and taxes, liveries and uniforms, purchase and repair of furniture, and over and above all these, there is another item called "Other contingencies". Though no details are given, it is not innocent as it looks. I took pains to total up these "other contingencies". You will be surprised to find that they come to 24.12 lakhs. This is the nature of the "other contingencies" for which no details are given which you are asked to swallow in entirety. You can easily cut 10 per cent. out of this, in which case you will easily get a saving of 2.4 lakhs. Then, Sir, there is the Stores Purchase. I find that you have budgeted 50 lakhs for Stores Purchases. The prices of all commodities have gone down very considerably and you can easily cut this down by at least 15 per cent. This saving comes to 7.5 lakhs. On the whole you will be able to effect a saving of at least 65 lakhs if my proposals are

accepted. If out of the net loss of 1.41 crores as estimated in the Budget for the ensuing year you deduct this 65 lakhs, you will then want only the amount required to meet the interest charges which come to about 87 lakhs of rupees. If these suggestions are acceptable to the authorities, the Department may be made at least self-supporting on the revenue account. An earnest endeavour has to be made and I request that the Finance Member will see his way to respond to our wishes which are put forward with the best motives and intentions.

Mr. H. A. Sams: May I at once repudiate the suggestion that I have ever been instructed to keep up expenses? It is an entirely untrue suggestion.

Mr. T. N. Ramakrishna Reddi (Madras ceded Districts and Chittoor: Non-Muhammadan Rural): The cut before the House is that the Demand under the head "Executive Council" be reduced by Rs. 100, to discuss the question of a substantial retrenchment in all Departments. Now, the cut takes note of the retrenchment that has been made, as pointed out in the Budget speech. This cut has reference to the absence of a substantial retrenchment of expenditure in all Departments. Now, this cut covers a very wide field, but today I will confine myself to only two Departments, that is the military and the civil Departments, because these Departments, carry away a lot of money—military administration expenses to the extent of nearly 53 crores, and civil administration expenses to the extent of 57 crores. Now, with regard to the military expenses, the Honourable the Finance Member has pointed out that he has made a cut of nearly 53 lakhs odd under the modernization and mechanization scheme, and also 113 lakhs under other expenses. Now, I shall presently point out to the House that this is not really a substantial cut. About four years ago the Military Department asked for Rs. 10 crores to be expended on modernization and mechanization of the Army over and above the usual expenditure. What the Finance Member did was to tell the Military Department that he could not grant Rs. 10 crores straightaway in one year, because the expenses were already too heavy under the military head, but that they should agree to spreading this 10 crores of rupees over a period of four years, so that the Military Department might spend at the rate of Rs. 2½ crores every year for four years. Thus the Government have stabilised the expenses of the Military Department at 55 crores for four years. Then last year the Honourable the Finance Member pointed out that he had effected a reduction of nearly Rs. 80 lakhs under military expenditure. When, however, you examine the question you find it was not really a reduction, because, instead of spreading the mechanization process over four years, he has only spread over five years the money which they have got to spend on the modernization and mechanization scheme. So also this year the Honourable the Finance Member has shown that he has further reduced the expenditure to the extent of Rs. 54 lakhs. That again is not real reduction of expenditure, because he has spread the amount that the Military Department has to spend under modernization and mechanization over a further period of one year. Then, Sir, with regard to the Rs. 113 lakhs that has been shown as having been saved under the other general expenses in the same Department the Finance Member has in his Budget speech shown that the saving was due to the fall in prices of agricultural produce and to some other causes. When, Sir, the Retrenchment Committee fixed military expenditure at Rs. 50

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crores they could never have meant to stabilise it at that figure if they had anticipated, as they never did, that there would be such an abnormal fall in prices, as has happened today. At that time the index figure was not 150, as the Leader of the Opposition has pointed out, but it was 175. Now the index figure is down at 100, that is, at the pre-war level, and we have got the authority of one of the Members who served on the Retrenchment Committee, Sir Purshotamdas Thakurdas, who the other day said that if they had ever anticipated that the prices would fall to as low as the pre-war level, they would straightaway have recommended a reduction in the military expenditure to Rs. 40 crores. So in spite of this abnormal fall, the expenses are still being kept at the very high level of Rs. 55 crores, and this 1·13 crores is only a portion of the reduction, and that too was occasioned by the fall in prices and other causes and is not the result of any trouble which the Military Department or the Finance Department has taken to see that military expenses are reduced. Thus there is not really any reduction in military expenditure except that which has been occasioned by fortuitous circumstances and not due to any efforts on the part of the military administration or the Finance Member, and even now the modernization and mechanization scheme is going merrily on. The only thing is that it has been distributed over some more years. Thus there is one Department in which there is plenty of scope for reduction of expenses. Certainly, if the Honourable the Finance Member anticipated this deficit of nearly 14 crores or 15 crores, as he ought to have, he ought to have applied himself to the task of reducing the military expenses at least to the extent recommended by the Retrenchment Committee.

Then, I turn to the Civil administration. Here also the Finance Member has not tried his best to reduce the expenditure to any extent. Year after year the Honourable the Finance Member has been repeating that the Civil administration expenses have been going up very high, and the year before last he clearly stated that there must be a Retrenchment Committee again on the lines of the Inchcape Retrenchment Committee to reduce this over-growing scale of expenditure in the Civil administration; and, though he has repeatedly told us that, what has been the effect? I am sorry to submit that he has not made any great efforts to reduce expenses in this direction. Of course last year he announced the appointment of Mr. Jukes to suggest retrenchment, but his Report is still not forthcoming, and even Mr. Jukes had to enter on his task with a restricted scope. He is a servant of the Government, and on the eve of his appointment it had been pointed out to us by the Finance Member that we could not expect any large reduction in the Civil administration expenses—and so, Sir, we cannot lay much store on Mr. Jukes' Report. Any way his Report has not been forthcoming. Now the Honourable the Finance Member wants to lull us into hope by suggesting the election of a Retrenchment Committee by the House. Now I find from the Budget statement that this Committee will have to work under a limited scope. In the Budget speech the Finance Member says that "The primary task of the Retrenchment Committee will be to investigate the possibilities of retrenchment in the Civil Administration as examined in this Report"—meaning Mr. Juke's Report. So even this Committee has to examine the Report as presented by Mr. Jukes! That is all. The scope of the Committee is not extensive. It is not stated that this Committee has got

the power and authority to look into the expenses of every part of the administration under the Government, military, civil or anything else. The scope is very restricted. That being so, such a Committee is not at all necessary. If at all the Finance Member gives us a committee, it must be a committee endowed with full powers to investigate into the possibilities of retrenchment in every Department. Not only that, such a Committee ought to have come long ago,—in fact as soon as the Honourable the Finance Member anticipated this heavy deficit, which he must have done long ago,—and he ought to have appointed it long ago so that its Report would have been ready by now.

Now, Sir, the Finance Member has again stated that we cannot expect much retrenchment on the side of the Civil expenditure. He says that out of Rs. 57 crores, the Central Government's share of the expenses is Rs. 16 crores for both the civil services and the establishments and the Provincial Governments' share is Rs. 41 crores, and he says that even out of this 16 crores the civil services account for only 5 crores, and the remainder is accounted for by the establishment charges. Then he says he cannot expect much retrenchment in this direction also. Now, Sir, I submit that as regards establishment charges he has taken establishments as a whole, and pointed out that they include persons who are drawing Rs. 500 per month, and almost suggested that we may not effect any retrenchment under the establishment charges. Now I may suggest to the Honourable Member that he can draw a line at persons drawing about Rs. 200 and make higher grades of establishment available for the Retrenchment Committee to effect retrenchments in. Now, Sir, he wants to justify his position that we should not hope for an appreciable reduction in Civil expenditure because of the sanctity of contract, that is, that the sanctity of contracts binds us not to effect any far-reaching retrenchments in expenses in the civil service administration. Well, when prices went up very high, they clamoured for higher wages and the Lee Commission was appointed. Why was there not an application of the sanctity of contracts then? Did not the services receive substantial increments in emoluments in pursuance of the recommendations of the Lee Commission,—“Lee loot” as the Leader of the Opposition has put it? Did they not get very high wages, high emoluments and high increments in various directions under the Lee Commission proposals? So when the country is reduced to this state, is it right that we should maintain this sanctity of contract even when the country is going to ruin? Should they not contribute something for the country in its difficulties? Certainly a Committee can go into these matters and reduce expenses even in that direction. We have got the example of other countries such as England and Australia, where the Governments have reduced the expenses. So, there is plenty of scope in that direction, but the Honourable the Finance Member has not taken any trouble to reduce the expenses. For these reasons I am glad to support this motion.

The Honourable Sir George Schuster: Sir, I shall endeavour to practise one form of economy anyhow in my reply and that is the economy of words. I feel that Honourable Members have heard a good deal that I have to say on this subject and I do not want to repeat myself too much. I think on the whole we can deal with the main object of this debate

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fairly shortly. In the first place, I would like to express my appreciation of the general tone of the speeches, particularly of the two opening speeches by the Honourable the Leader of the Opposition and by the Honourable Member, Sir Abdur Rahim. I interpret those speeches as speeches made by men who do not wish to cause difficulties to the Government but wish to approach the subject in a realistic spirit and to ascertain in actual fact what can be done in these very difficult circumstances. I entirely reciprocate that spirit and, if I may say so, although I myself have been the figure chosen for criticism in a great part of this debate, I listened really with a great deal of appreciation to much that has been said, and I welcome the support which it gives to me. It is not for me to stand up and oppose Honourable Members who are talking about retrenchment. In theory, I am entirely on their side. If I had time I could deal in greater detail with all that has been said in this debate, because I think I might find an effective answer to all these details. The trouble is that when you look at the picture as a whole, that picture as a whole is unsatisfactory. But I wish Honourable Members would appreciate that it is very easy to talk about retrenchment in general; it is extraordinarily difficult to carry it out in particular. I have been taken to task for not giving effect to as active a policy as might have been possible. I think Honourable Members do not quite appreciate how much has been done in the way of restricting new demands and cutting down expenditure this year. I think perhaps those Honourable Members who sit here and who have been through the discussions on the Standing Finance Committee can appreciate what are the practical difficulties in that small part of the field of new demands which they see each year, and I think they will agree that so far as they are concerned, no new demands have been allowed to get through which were not in the circumstances absolutely essential in the sense that they were really in the public interest, even having regard to the extreme financial stringency this year. I would ask Honourable Members to give really close attention to this subject and closely to study how the expenditure has grown and to help me in tackling those parts of the field where the growth really seems not to have been justified. They will find, if they go through the Report, which will be put before them, and indeed they could have found it from the interim Report that I presented at Simla, a great deal of explanation for the growth in expenditure.

I would just like to go over a few of the headings. Now, we have had a good deal of talk about the Posts and Telegraphs Department. Well, Honourable Members have themselves pressed for improvements in the terms of salaries for the members of the Posts and Telegraphs Department. I have not the figures with me to refer to, but I believe I am correct in stating that the actual financial significance of improvements in the pay of the subordinates in the Posts and Telegraphs Department effected during the past ten years amounts to something like $1\frac{1}{2}$ crores a year and that sum will probably increase. Then, we have things like the Legislative Assembly Department itself, which has caused a substantial increase in expenditure. We have had the alteration in the general terms of service, that is to say, the introduction of time scales for pay, which have been approved as a matter of policy by the representatives of the public in this House. The operation of the time-scales alone, as I pointed out in my Budget speech, is committing us to an automatic increase of

about 23 lakhs a year. Then we have the new services which I referred to, like Civil Aviation, which in this year is actually, I think I am correct in saying, costing the Government, with all its attendant services, something like 47 lakhs. Then we have the grants for agricultural research. Government have been taken to task for not doing much in that direction, but, again, that represents a recurring expenditure which is quite new. Then we have the increased grants to the Universities of Aligarh and Benares, which have been strongly supported and approved by this House. And we have also, what I referred to in my Budget speech, an inevitable growth in the expenditure of beneficial services in territories like the North-West Frontier Province. Lastly, I just want to call the attention of Honourable Members to one thing, and that is that a mere comparison of the figures year by year is often by itself misleading. There have been a good many changes in accounting practice by which apparently there has been a growth of expenditure, which is not a real growth of expenditure. Where net amounts previously used to be entered, after deducting recoveries, in many cases gross amounts are now entered in the expenditure and the recoveries are entered on the receipts side. I just want to call attention to a few points like that, because I venture to claim that if Honourable Members would go carefully into the details, they will find that I have not been so idle and inactive as they think, and that the Finance Department has been working effectively to protect the public interest. But there may come a time when the country is faced with a great financial emergency and when all these ordinary methods of keeping tight the purse strings in the practice of normal economy have to be reinforced and something very drastic has to be done. It is when a time like that comes round, that the ordinary operations of the Government may not be adequate and Government may stand in need of support and strengthening from the representatives of the public outside. I think that is particularly the case in India today with our present form of Government, and it is for that reason that I felt that there was some practical value in the appointment of a Retrenchment Committee just now.

Now, I should like to say a word or two about some of the things that I myself have said, because I feel there has been a great deal of misunderstanding about them. I can only come to the conclusion, a conclusion which has often been forced upon me, that very often there is a misunderstanding between us and Honourable Members opposite, partly because we sometimes use phrases and words the exact purport of which really is not correctly appreciated. The point to which I am referring is, that it has been said that, because I myself have said that I do not believe that there is any room for substantial economy in the civil expenditure of the Budget, that because I have said that, my suggestion of a Retrenchment Committee is mere "eye-wash". That is a most unwarranted interpretation of anything that I have said. I was talking generally of retrenchment, and I was trying to explain to Honourable Members opposite that in my opinion, we are now face to face with a very serious crisis in which some fundamental readjustments may be necessary. I was trying to make the point that that fundamental readjustment really involved changes in policy. At the same time, I said, I believed that retrenchment in detail was a thing that ought to be pursued, but I wanted to point out that I could not see that any measure of retrenchment in detail, that is to say, economics of the sort referred to in

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the suggestions that were made by my Honourable friend the Leader^o of the Opposition for cutting out minor extravagances, I could not see that any aggregation of cuts of these minor extravagances was going to produce the sort of result which would be sufficient to make a fundamental effect in the situation. It was that that I wanted to make clear. At the same time, I think that a study of those minor economies is most important and most necessary and that it is very useful that from time to time we should stand back and review the situation and with outside assistance undertake that study. I hope that that has made the position clear, and now I think really the point before us all is, what is the best thing to do now in the future. I maintain that we have gone as far as we could go in the making of cuts, which would not interfere with the efficient working of the machinery of Government, but I want to satisfy Honourable Members opposite on this, and Honourable Members opposite, I take it, want to be satisfied, and this is where the difficulty comes. Honourable Members say,—I refer particularly to what my Honourable friend Sir Abdur Rahim said in his speech. “You have got to satisfy us that you have done all that is possible to cut down expenditure before we listen to your demands for new taxation”. Quite a reasonable attitude, and I am quite prepared to admit that we have got to satisfy this House. But, how are we going to satisfy them? They do not accept our general statements, and that is one of the reasons why I thought that a Retrenchment Committee on the lines which I had proposed, would be of great value. I come before this House and say, “I have done all that is reasonably possible now, but I think that to meet abnormal circumstances something more might possibly be done, and I want to have the support of non-official Benches in further demands for economy. I want to give non-official Members a chance of satisfying themselves that everything has been done, because I quite agree that it is only after they have done that, that they, in the discharge of their public duties, are justified in voting for new taxation.

Diwan Bahadur A. Ramaswami Mudaliar: Am I to understand then, that the Finance Bill will be postponed till the Retrenchment Committee has satisfied itself? (Laughter.)

The Honourable Sir George Schuster: That, I agree, is a pertinent question, but my Honourable friend knows that that is not a practical course. I do venture to suggest this that if the Government come before this House and say, “We are prepared to throw open every door to enquiry by you, come in and satisfy yourselves and cut down expenditure in the course of the year, if you are able to do so”, I do suggest that if we are ready to take up that attitude, we will thus be justified in claiming some confidence on the other side that we have got nothing to conceal and that our object here is the same as that of the Honourable Members opposite.

Sir Cowasji Jehangir: May I ask whether we can prune the expenditure on the Army side?

The Honourable Sir George Schuster: My Honourable friend knows perfectly well what I have said about the Army, and I think no one appreciates better than he does what is the real position as regards that. I think every Honourable Member in this House appreciates that, unless the whole constitutional issue is brought in, it is impossible now to make

drastic alterations in the total of the Army Budget. I understand that the whole subject was discussed in London. My Honourable friend opposite knows the circumstances better than I do. I feel sure that he, in those further opportunities which he is going to have, will make that point again and again and that in some way or other, he will see that he and his friends are satisfied that all that is possible, as regards reducing the Army expenditure, will be done. But, I do not think I need stress the point. I am sure I have the agreement of every Honourable Member of this House when I state that really drastic changes in the Army expenditure at the present stage, independently of the constitutional issue, is a practical impossibility.

After those interruptions, I come back again to my main point and that is this, we are genuine in our proposals about the Retrenchment Committee. Honourable Members opposite have viewed it with suspicion. If, as appears to be the case, they do not want a Retrenchment Committee composed merely of representatives of this Assembly, we are prepared to consider any other form of enquiry which might satisfy them. I should be very glad of an opportunity to discuss the whole subject with Honourable Members representing the various parties privately, because I want to get on with this business. We mean business about it, and I believe we can take certain useful steps which will be not merely of benefit to us but of advantage to the country and of advantage particularly to Honourable Members opposite in enabling them to feel that they are properly discharging their obligations. This whole question of retrenchment wants considering in a business-like way. We have had one or two quite helpful suggestions. My Honourable friend, Sir Hugh Cocke, raised the point that the whole question of accounts and auditing might be considered separately by an expert committee. That is one field of retrenchment. There are many others, and I have a certain feeling of agreement, as a matter of fact, with Honourable Members opposite, in considering that a mere Committee of the Legislative Assembly by itself will not fulfil the purpose to the best advantage. Therefore, what I should suggest is that if the leaders of the various Parties are willing to do so, I should confer with them on this question of the further pursuit of a retrenchment policy and of the setting up of enquiries to consider how that can best be carried out. That, Sir, is I think the only practical answer which I can make to the motion which has been moved today. Speaking as the Finance Member, I have already said that I regard a great many of the speeches that have been made as support to my own arm in the performance of my duty and therefore, I feel in a peculiarly illogical position in having to oppose the motion for retrenchment. I have tried to meet the Honourable Members opposite in the spirit in which I think they themselves were speaking, and I hope, Sir, that I have done something to satisfy them that in the pursuit of the public interest, we, at this moment, are just as keen and just as honest as they are. (Applause.)

Diwan Bahadur T. Rangachar ar: Sir, I am glad that the Finance Member has taken a conciliatory attitude with regard to this cut.

4 P.M.

At the same time he told us that we would only be arming him with a weapon in carrying on his legitimate functions. I quite recognise that he requires to be armed like that because his military expenditure is even beyond his control, even beyond the Government of India's control. By this means we want the Government of India to press upon His Majesty's Government and upon His Excellency the Commander-in-Chief

[Diwan Bahadur T. Rangachariar.]

that, unless there is a radical cut in the military expenditure, and that as soon as possible, the country can never brook the financial burden which it bears. It is for that reason mainly that we press this. We do not want to tinker with the problem and save a few lakhs here and a few lakhs there in the Civil department. The Civil department cannot bear much scrutiny. The Military Department can, apart from the question of policy and of Indianisation, retrench. Extreme extravagance in rates of pay and allowances and all other sorts of things are allowed both in the civil services and in the military services. That should go, and in that we want the Government of India's help by arming them with this vote. Times are changed, prices have come down considerably and we do not think there is any need to continue these extravagant rates of pay and allowances. In fact more than 60 per cent. of the money which is raised from the tax-payers is spent on the pay of the officers and the expenses of establishments. What benefit does the country get? Only a few thousands of the population live on the income of the people, whereas very little is spent on beneficial services. We do not want to stop the beneficial services. We do not want to touch the grant to the Benares University which gets a pittance; we do not want to touch the grant to the Aligarh University which gets a pittance. By all means continue these things, but there are most extravagant things where one could take action. What is the good of this Retrenchment Committee unless we have full power to go into the question of Army expenditure? If it is not for this year, at least for the next year the Government of India will be armed if this motion is carried. Therefore we are anxious that this motion should be carried. Even otherwise, as I have said there are various means of substantially cutting down expenditure. It is absolutely useless to say that you have done this and that, increased the pay of the Postal establishment at our instance. When was that motion made? At a time when prices were high. At a time when prices have gone down, if you ask our help we will give it to you. After all you cannot regulate the pay and allowances for all time to come. It is impossible and unwise to have a fixed pay in these things. Just as we had during the war, rice allowances and grain allowances, we should have continued like that to provide for temporary rises and falls.

Mr. K. Ahmed (Rajshahi Division: Muhammadan Rural): Why have you not reduced your daily allowances? (Laughter.)

Diwan Bahadur T. Rangachariar: My Honourable friend knows perfectly well what sacrifices non-officials have to make in coming and working here for the good of the country. My Honourable friend calls attention to the daily allowances. What does it signify? Does it signify one-thousandth part of the expenses which we have to incur? Speaking for myself, it is an absolute trifle, and I make a present of that to my Honourable friend.

I will pass over that irrelevant interruption. I do think that this is a matter which is too vital for us to ignore. Sir, I do not want to go into details in this matter. The question is that my Honourable friend has made an offer. He is prepared to satisfy us that he has done his best. But that is not enough. I am not satisfied that he has done enough. I know his difficulties. Unless the whole expenditure is thrown open to us there is no use of a committee. Merely asking us to examine Mr. Jukes's Report or any other Report is absolutely useless. Possibly we may be able to save 5 or 6 lakhs, but that is not what we want. We want to save 6 or 7 crores if possible. We want other means for finding 6 or 7 crores, instead

of allowing taxation to the extent of more than 5 or 6 crores, even having regard to the exigencies of the case. So I press my motion.

Mr. President: The question is:

"That the Demand under the head 'Executive Council' be reduced by Rs. 100."

The Assembly divided:

AYES—69.

Abdur Rahim, Sir.
Aggarwal, Mr. Jagan Nath.
Alexander, Mr. W.
Azhar Ali, Mr. Muhammad.
Badi-uz-Zaman, Maulvi.
Bagla, Lala Rameshwar Prasad.
Bhuput Singh, Mr.
Biswas, Mr. C. C.
Chetty, Mr. R. K. Shanmukham.
Cocke, Sir Hugh.
Dudhoria, Mr. Nabakumar Sing.
Dutt, Mr. Amar Nath.
Fazal Haq Piracha, Shaikh.
Fox, Mr. H. B.
Gour, Sir Hari Singh.
Gunjal, Mr. N. R.
Harbans Singh Brar, Sirdar.
Hari Raj Swarup, Lala.
Heathcote, Mr. L. V.
Hoon, Mr. A.
Ibrahim Ali Khan, Lt. Nawab Muhammad.
Ismail Ali Khan, Kunwar Hajee.
Isra. Chaudhri.
Jadhav, Mr. B. V.
Jehangir, Sir Cowasji.
Jha, Pandit Ram Krishna.
Jog, Mr. S. G.
Krishnamachariar, Raja Bahadur G.
Lahiri Chaudhury, Mr. D. K.
Mitra, Mr. S. C.
Mody, Mr. H. P.
Moore, Mr. Arthur.
Morgan, Mr. G.
Muazzam Sahib Bahadur, Mr. Muhammad.

Mudaliar, Diwan Bahadur A. Ramaswami.
Mujumdar, Sardar G. N.
Neogy, Mr. K. O.
Pandit, Rao Bahadur S. R.
Parmanand Devta Sarup, Bhai.
Puri, Mr. B. R.
Puri, Mr. Goswami M. R.
Raghubir Singh, Kunwar.
Rajah, Raja Sir Vasudeva.
Ranga Iyer, Mr. C. S.
Rangachariar, Diwan Bahadur T.
Rao, Mr. M. N.
Rastogi, Mr. Badri Lal.
Reddi, Mr. T. N. Ramakrishna.
Roy, Kumar G. R.
Sadiq Hasan, Shaikh.
Sant Singh, Sardar.
Sarda, Rai Sahib Harbilas.
Scott, Mr. J. Ramsay.
Sen, Mr. S. O.
Sen, Pandit S. N.
Shah Nawaz, Mian Muhammad.
Shahani, Mr. S. C.
Singh, Kumar Gupteshwar Prasad.
Singh, Mr. Gaya Prasad.
Sitaramaraju, Mr. B.
Sohan Singh, Sirdar.
Studd, Mr. E.
Sukhraj Rai, Rai Bahadur.
Thampan, Mr. K. P.
Tun Aung, U.
Uppl Sahab Bahadur, Mr.
Walayatullah, Khan Bahadur H. M.
Yamin Khan, Mr. Muhammad.
Ziauddin Ahmad, Dr.

NOES—35.

Acheson, Mr. J. G.
Allah Baksh Khan Tiwana, Khan Bahadur Malik.
Ayyangar, Diwan Bahadur V. Bhashyam.
Bajpai, Mr. G. S.
Banarji, Mr. Rajnarayan.
Baum, Mr. E. F.
Boag, Mr. G. T.
Chatterjee, The Revd. J. O.
Crerar, The Honourable Sir James.
Dalal, Dr. R. D.
Fazl-i-Musain. The Honourable Khan Bahadur Mian Sir.
French, Mr. J. C.
Graham, Sir Lancelot.
Gwynne, Mr. C. W.
Hamilton, Mr. K. B. L.
Hezlett, Mr. J.
Jawahar Singh, Sardar Bahadur Sardar.

Khurshed Ahmad Khan, Mr.
Macmillan, Mr. A. M.
Montgomery, Mr. H.
Mukherjee, Rai Bahadur S. O.
Parsons, Mr. A. A. L.
Rafuddin Ahmad, Khan Bahadur Maulvi.
Rainy, The Honourable Sir George.
Rajah, Rao Bahadur M. O.
Rau, Mr. H. Shankar.
Roy, Mr. K. O.
Sahi, Mr. Ram Prashad Narayan.
Sams, Mr. H. A.
Sarma, Mr. R. S.
Schuster, The Honourable Sir George.
Sher Muhammad Khan Gakhar, Captain.
Shillidy, Mr. J. A.
Tin Tut, Mr.
Young, Mr. G. M.

The motion was adopted.

Mr. President: I should like to ask Honourable Members what their pleasure is with regard to further procedure in connection with Demands for Grants. There are two alternatives before Honourable Members which I should like to tell them before I ascertain what their wishes are. The first alternative is that I should now put the reduced Demand to the vote, and then adjourn the House in order to make it possible to take up the Army cut tomorrow. The other alternative is that we should continue the consideration of this Demand and discuss the other motions for cut of which notice has been received. If the House decides in favour of the latter alternative, then it will not be possible to take up the Army Demand tomorrow. I should like to know what the wishes of the House are in the matter. I will first ask Honourable Members whether they desire that I should now put the reduced Demand under Executive Council to the vote.

Several Honourable Members: Yes.

Mr. President: I take it that that is the general wish?

Several Honourable Members: Yes.

Mr. President: The question is:

"That a reduced sum not exceeding Rs. 90,900 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending the 31st day of March, 1932, in respect of the 'Executive Council'."

The motion was adopted.

The Assembly then adjourned till Eleven of the Clock on Tuesday, the 10th March, 1931.

LEGISLATIVE ASSEMBLY.

Tuesday, 10th March, 1931.

The Assembly met in the Assembly Chamber of the Council House at Eleven of the Clock, Mr. President in the Chair.

MEMBERS SWORN.

Mr. Jehangir Kaikhoslu Munshi, M.L.A. (Burma: Non-European):
and

U. Kyaw Myint, M.L.A. (Burma: Non-European).

THE GENERAL BUDGET—LIST OF DEMANDS—*contd.*

DEMAND No. 39—ARMY DEPARTMENT.

The Honourable Sir George Schuster (Finance Member): Sir, I beg to move:

“That a sum not exceeding Rs. 5,39,000 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending the 31st day of March, 1932, in respect of the ‘Army Department’.”

Military Expenditure.

Mian Muhammad Shah Nawaz (West Central Punjab: Muhammadan): Sir, I beg your permission and that of the House to permit me to move my cuts Nos. 224* and 225† together regarding the military expenditure.

Mr. President: I explained to the Honourable Member that motion No. 225 deals with military expenditure, and therefore Indianisation and all aspects of military expenditure are included in that cut. The debate on the motion will be open in regard to every item which affects military expenditure, and it is not necessary to mix up two cuts in one motion. Honourable Members are aware of the procedure we adopted yesterday, and I should like to ask whether it is their pleasure that the same procedure should be followed today in allowing Mr. Shah Nawaz to move out of its turn motion No. 225. (*Several Honourable Members:* “Yes, yes.”) Very well, Mr. Shah Nawaz is allowed to move his cut No. 225.

*“That the Demand under the head ‘Army Department’ be reduced by Rs. 100. (Indianisation of the Army.)”

†“That the Demand under the head ‘Army Department’ be reduced by Rs. 100. (Military Expenditure.)”

Mian Muhammad Shah Nawaz: Sir, I beg leave to move that, the Demand under the head 'Army Department' be reduced by Rs. 100, the subject-matter of my cut being the military expenditure. Mr. President, now that an era of co-operation and goodwill has dawned, now that the hearts of India and Great Britain are beating together, now that we earnestly desire and hope to create an everlasting union of friendship and comradeship, between Great Britain and India, we the Indians on this side of the House appeal to our British friends on the other side of the House to increase substantially the rate of Indianisation of the Army, and thereby cut down the expenditure to its lowest figure. Sir, ever since the advent of the constitutional reforms in India, this House had again and again urged upon the Government the necessity of Indianising the Army and reducing the military expenditure, but I regret to say that all our efforts so far had little effect. In the first place, I want to make it quite clear that I do not in any way minimise the important decisions arrived at by Sub-Committee No. VII (Defence) of the Round Table Conference regarding the Indianisation of the Army. His Majesty's Government have now accepted the principle that the defence of India must be the concern of the Indian people themselves, and not of the British people alone. His Majesty's Government have also accepted the general principle of the rapid Indianisation of the Army, and in order to give effect to it, a training college is to be established in India for the training of Indian boys to secure King's Commissions. I am glad that His Excellency the Commander-in-Chief only the other day, in the Council of State, gave an assurance that he intends to implement the decision of the Round Table Conference at the earliest possible opportunity, and that he is about to set up an expert Committee to go afresh into the question of rapid Indianisation of the Army and to establish an Indian Sandhurst at some suitable place in India. But, Sir, that does not mean that all is well with the Army Department of the Government of India. This House has not much faith in the Army Department. In 1918 the Indians were granted King's Commissions, and up till now there are only 131 officers in the higher ranks of the Army. Now, Sir, in 1921 a Committee was appointed by the then Commander-in-Chief of India to prepare a detailed scheme for the Indianisation of the Indian Army, and the Committee reported on the 11th January 1922. That Committee recommended that the complete Indianisation of all arms and services (excluding Gurkhas for whom special arrangements will be necessary) of the Indian Army should be carried out in three definite stages, each of 14 years, commencing from 1925: first period, 1st to 14th year; second period, 15th to 23rd year; and third period, 24th to 30th year; *i.e.*, a total of 30 years. That Committee recommended that the entire Indian Army was to be Indianised within a period of 30 years. The Committee recommended:

"In this way, after twelve years, all British officers in 7 cavalry regiments, 20 Infantry battalions, 3 Pioneer battalions, 6 Pack batteries, 1 Headquarters Company, Engineers, 6 Field Companies, Engineers, 2 Field Troops, Engineers, 1 Railway Company, and 1 Army Troops Company undergoing Indianisation would have disappeared and such units would be completely officered by Indians."

The Committee further recommended:

"That, with a view to ensuring the necessary supply of military qualified officers for the Quartermaster-General's and Educational Services, a number of—approximately 16—Indian officers should be appointed annually and posted as supernumeraries one to each of certain selected units undergoing Indianisation."

The Committee further recommended:

“That, during the second period the numbers of commissions to be given annually should be increased to approximately 182, and this should provide for the Indianisation of the following units:

Cavalry regiments	7
Infantry battalions	40
Pioneer battalions	3
Pack batteries	6
Engineer units—	
(i) Headquarter companies	2
(ii) Field Companies	6
(iii) Field troops	1
(iv) Army troops companies	2

Together with a proportion for the Quartermaster-General's and Educational Services, and an allowance for wastage among first period officers.

The remaining units of the Indian Army would be Indianised during the third period—which, if justified by experience, might be shortened.

The Committee recommend that all ancillary services be Indianised on the same lines as the fighting troops.”

Briefly put in a tabular form, their recommendation came to this:

“(i) Number of King's Commissions granted, during each period:

	Officers,
(a) First period:	
(i) Fighting troops	937
(ii) Q. M. G. Services	148
(iii) I. A. Educational Corps	54
	<hr/>
	Total . 1,139
	<hr/>
Average annually	81.4

(Please remember this number, 81 officers annually, for the first period.)

(b) Second period:	
(i) Fighting troops	1,966
(ii) Q. M. G. Services	444
(iii) I. A. Educational Corps	137
	<hr/>
	Total . 2,547
	<hr/>
Average annually	182

(Please remember that figure of 182 officers per year for the second period.)

(c) Third period:	
(i) Fighting troops	2,561
(ii) Q. M. G. Services	481
(iii) I. A. Educational Corps	136
	<hr/>
	Total . 3,178
	<hr/>
Average annually	227

(Kindly remember the figure of 227 officers annually.)

[Mian Muhammad Shah Nawaz.]

(ii) Grand Total : King's Commissions :

(a) First Period	1,139
(b) Second Period	2,547
(c) Third Period	3,178
Grand Total	<u>6,864</u>

Therefore, the Committee recommended that, within a period of 30 years, there should be complete Indianisation of the Army. That is a very clear-cut scheme. I do not know why the Government have not carried into effect that scheme. I want to ask the Honourable Mr. Young why that scheme was not discussed in the First Assembly. Is this the way in which the Army Department is going to deal with us? I ask my Honourable friend, Mr. Young, why the Report of that Committee was not placed before the Skeen Committee, so that they might have looked into it and acted on it if they thought fit. I want a clear answer to these questions. In my opinion the scheme of Indianization of the Army prepared by Lord Rawlinson's Committee of 1921 was a first class scheme. It was a far better scheme than the Skeen Committee's scheme. Under it the Army was to be Indianised within a period of 30 years. If the recommendations of that Committee had been given effect to, from the year 1925 to 1931 we should have had nearly 500 Indian officers in the Army. What is the position now? We have got only 131 officers. Then, Sir, another committee, called "The Sandhurst Committee" was appointed to go into the question of Indianization of the Army. It was presided over by Sir Andrew Skeen. It is very strange that the recommendations of the Committee of 1921, which had reported on 11th January, 1922, were not placed before the subsequent Sandhurst Committee. Again, the Indian Sandhurst Committee recommended that half of the Army was to be Indianised within a period of 26 years; that is to say, by the year 1952. It recommended that the eight units scheme should be abandoned; also that an Indian Sandhurst should be established at some suitable place in the year 1933. What has been done so far? We see that the Government had been selecting only 20 candidates a year in the officer ranks of the Army. Last year they selected 24, and this year they may be selecting 27. The eight units' scheme is not to be abandoned. I ask, if there is a change of heart—undoubtedly there is a change of heart—why that should not be manifested in this direction. If Indians are prepared to serve under British officers, there is no reason why the British soldier should not be prepared to serve under Indian officers. If we are going to be comrades, if we are going to be friends, if there is to be a complete understanding and goodwill between Great Britain and India, there is no reason why the Indian officers should not have British soldiers under their command. The racial and colour prejudices must now disappear. The eight units' scheme must be abandoned. And although His Excellency the Commander-in-Chief has now very kindly told us that he is going to establish an Indian Sandhurst in 1932 or 1933, I ask my Honourable friend Mr. Young, or I would have asked His Excellency the Commander-in-Chief if he had been in this House today, whether the Army Department have asked for any funds from the Honourable the Finance Member to meet

the preliminary expenditure in regard to the establishment of this college. I know that they have done nothing of the kind. I do not know what they are going to do. This House has a lurking suspicion in mind that the Army Department has always been playing the game of delaying tactics, but we earnestly hope that they will at least this time look into the matter very seriously and give up their old ways of sin.

Now, Sir, I ask three distinct questions from my Honourable friend, Mr. Young. Is the Army Department going to give effect to the recommendations of the Military Requirements Committee of 1921, and the Shea Committee of 1924, and select 81 Indian officers this year and the year after? That is a simple question and I want a simple answer. I ask the head of the Army Department whether they are going to give us 16 Indian officers in the Indian Army Educational Corps this year and the next year? That is a very simple question and I want a straight answer. (An Honourable Member: "From whom?") From the Honourable Mr. Young. (An Honourable Member: "You are an optimist.") I do not know if in this era of goodwill and co-operation Mr. Young will not be kind enough to reply to these questions. The civil disobedience movement is gone. We have got to restore peace and contentment in the country, and I do hope that Mr. Young will be very glad to see that the children of the soil are made to defend their own motherland. I make it quite clear that if there is any attack from the North on India, my country, every Indian is and will be in honour bound to defend his own motherland. Let there be no misgivings about it. On my part I shall be dying with my British comrades on the frontier. Sir, the policy of mistrust must now disappear. Well, Sir, that policy of mistrust must vanish for ever if we are going to be friends and if we desire to effect an alliance between Great Britain and India—an alliance that would strike the greatest blow to racial prejudices since the time of Christ and bring about peace and happiness in the world.

Then, Sir, I ask my Honourable friend Mr. Young as to what he has done for the development and training of the Volunteer Corps, the University Training Corps and the Territorial Force to evolve a system of elementary military training so as to provide a steady flow of well trained young men for the Indian Sandhurst. So far as I know, the Army Department has not done much. It is high time that they proposed a scheme to give military drill, etc., to our boys in the schools and colleges.

Sir, I now come to the question of immediate retrenchment in expenditure of the Army Department. India is a poor country. The Army expenditure comes to nearly 54·20 crores. It is true that in the estimates of the coming year it has been cut down by 1·70 crores, partly due to the fall in prices and partly to the fact that the re-equipment programme is to be spread over two additional years. Still we say that we have not got the capacity to pay such an enormous expenditure. Is Mr. Young or the Army Department going to help us? It is impossible for a poor country like India to bear such a heavy military expenditure. Now, Sir, the Inchcape Committee recommended that military expenditure should be reduced to 50 crores. Have the Government done that? The Army Department may be sick of hearing this again and again, but we are also sick of getting no reasonable reply from them. Again, Sir, the Inchcape Committee recommended that the strength of the Indian battalions was to be reduced

[Mian Muhammad Shah Nawaz.]

by 154. The strength of the Indian battalions, before the Inchcape Committee sat, was 826, and if this reduction were made, it would come down to 672. What have the Government done? They have reduced the strength of the Indian battalions to 728 and not to 672. I have calculated the details of the expenditure, and if the Indian battalions were to be reduced to 672, as recommended by the Inchcape Committee, there would be a saving of nearly a crore of rupees. Can the Honourable Mr. Young deny that? Will Government rise to the occasion and reduce the strength of Indian battalions to 672 and thereby reduce the expenditure? Then there is another way of reducing the expenditure. We can reduce the number of British troops. There is now peace on the frontier and there is now peace in the world. Afghanistan has been paralysed by civil war. Russia is far away. There is no reason why the number of British troops should not be cut down to its lowest figure. The number of British soldiers in India is nearly 69 lakhs 300 and that of the Indians

Mr. G. M. Young (Army Secretary): May I interrupt the Honourable Member? Did he say that the number of British troops is 69 lakhs?

Mian Muhammad Shah Nawaz: It is 69 thousand, and that of the Indians is 1,56,349. We know that the cost of the British soldier is five times that of the Indian soldier. Here I beg leave to invite your attention to the finding of the Sub-Committee No. VII (Defence) of the Round Table Conference, page 62, where it is said:

"The Committee also recognise the great importance attached by Indian thought to the reduction of the number of British troops in India to the lowest possible figure and consider that the question should form the subject of early expert investigation."

Are the Government prepared to reduce the number of British troops? If the number of British soldiers is reduced say, by 5,000, it will make an enormous difference in expenditure. Sir, I do hope that the Army Department will look into the matter and reduce the number of British soldiers as far as possible. Then I ask the Honourable the Army Secretary, to what extent the development of our Air Force and mechanism have produced retrenchment in expenditure and in other directions. Has Mr. Young looked into the matter carefully? Can he give us the figures to which the military expenditure can be cut down due to the presence and development of our Air Force? Then there is our frontier policy. I have been to the trans-border districts. I know those districts very well. We have opened schools there, we have developed roads. I ask the Honourable Mr. Young to what extent the covering troops can be reduced as a result of our policy on the frontier. If there is peace now, and peace there is, there must be reduction, as any military officer must know, in the number of covering troops. Have the Government done that? Nothing of the kind. Sir, the Honourable the Finance Member has proposed a Retrenchment Committee in respect of the expenditure of the Civil Departments. Am I to understand that he also proposes that the proposed Committee should go into the military expenditure as well? If that is the case, then this House may accept the Retrenchment Committee. Will Government accept my suggestion? Sir, we are firmly convinced that there is a lot of room for reduction in the military expenditure. Then I claim, that the military expenditure of India is far greater than the military expenditure of any other country in the world. Can the Honourable Mr. Young deny that

fact? The military expenditure of this country is 54 crores 20 lakhs, that is to say, 27 per cent. of the total income of India including the provinces and one-half of the total income of the Government of India. Can Mr. Young point out to me any country in the world where the military expenditure is so high as compared with the income? I am sure he cannot find any such country. Is this the way you are going on in this poor country? Is this the way you are treating the Indians—Indians who have not the capacity to pay, Indians who are crushed by the enormous amount of this military expenditure?

Then, Sir, there is room for reduction in the internal security troops. Sir, I believe calm is going to be restored in this troubled land, and we feel no longer distracted and perplexed. Cannot our police do the work of the internal security troops? Cannot we reduce the number of these troops? I believe, Sir, that there can be reduction in that direction also, and I ask the Honourable Mr. Young whether he is prepared to do it. Lastly, there is the question of readjustment of military expenditure between England and India. We all know that we want troops in this country for two purposes—troops that are wanted for the defence of India and those that are wanted for Imperial defence. Is it not right, I ask, that England should share the military expenditure with us? Sir, if the Government of India were only to urge their view-point before the British Government in England, I am sure there could be a reduction in expenditure to the extent of Rs. 10 crores or 12 crores. (*Mr. S. C. Mitra*: "Hear, hear"). Sir, I do not wish to inflict a long speech on this House. But Indians are quite clear in their minds that hitherto they have not been treated fairly and squarely. India, Sir, has produced many Generals in the past; India has produced many Commanders in the past, and there is no reason why they should not be able to lead their own soldiers on the battlefield. In Europe and other parts of the world they have done well. That cannot be denied. There are martial races in India; there are young men who are ever ready to seek employment in the Army. Will the Government of India help us before the new constitution comes into force by increasing substantially the rate of Indianisation in accordance with the recommendations of Lord Rawlinson's and General Shea's Committees of 1921 and 1924? Are they going to do that? Sir, I submit that the Government of India should reduce the military expenditure which is absolutely crushing us. Will the Government do it? Statesmanship and wisdom can give only one answer to that question. Sir, I move my cut. (Applause.)

Diwan Bahadur A. Ramaswami Mudaliar (Madras City: Non-Muhammadan Urban): Mr. President, although I am aware that according to constitutional precedents and usage, the Honourable the Finance Member moves that the House should grant each Demand, I still think it is an irony of fate that the military Demand in particular should have been so moved by him. I say so, Sir, because I feel that the Finance Member is in just as helpless a position with reference to this particular Demand as we on this side of the House are, I propose to deal first with the retrenchment that has been made in the military budget this year, and secondly with the larger question of Indianization which occupied the attention of the Round Table Conference in London and is going to be taken up in this country. Sir, I find that in a note that is contained in the Military Budget it is stated:

"All military expenditure is controlled by the Government of India in the Army, Marine and Finance Departments."

[Diwan Bahadur A. Ramaswami Mudaliar.]

Sir, I contest that position. Military expenditure is controlled by the Army Department; quite right. It is controlled by the Marine Department; quite right. But I do contest the position that the Finance Department controls this military expenditure. In theory, according to the constitution, the Finance Member is the ultimate controller, no doubt, but in practice I venture to state on the floor of this House that the Finance Member has been practically compelled to abdicate his position. Sir, let me take up at once the question of military expenditure and make some reference to the retrenchment that the Honourable the Finance Member told us has been made with reference to the Military Department. He has told us that 1 crore 75 lakhs have been saved by the Military Department, and he has asked us to infer that this saving has been made because the military authorities are anxious to come to the help of the civil authorities in times of grave crisis such as the present. Let us consider the expenditure that has been cut down and the details of which are given in the Budget that has been presented to us. I would request Honourable Members to turn to page 23 of the Military Budget, and they will find explanations given as regards the several reductions that have been made. "The Budget for 1931-32", says the note, "is less than the Budget for 1930-31 by 1 crore 38 lakhs", and the details are given. The decrease in the purchase and manufacture of stores due chiefly to the fall in prices and to less demands is put down at 66.84 lakhs. Under Non-effective charges, due chiefly to arrear credits as a result of the readjustment of the pensions of officers, etc., between His Majesty's Government and the Indian Government the decrease is put at 34 lakhs. This being a credit which has gone to the Military Department, we may ignore it as not being part of the retrenchment that the military authorities have made. I come now to the two substantial amounts—66 lakhs, being a reduction in the purchase and manufacture of stores, and 16 lakhs being a reduction in the rates of kit and clothing allowances. It may at first sight appear to the Members of this House that this is a very great service which the Military Department has done to us. But I should like to draw the attention of the Honourable Members at once to page 247 of this very Budget, where unfortunately explanations are given which belie the expectations and the inferences that Honourable Members may draw from this cut. At page 247 it is stated under "Purchase and Sale of Stores, Equipment and Animals":

"The gross annual expenditure on the purchase of ordnance stores in a normal year is estimated at Rs. 354 lakhs as against only Rs. 189.23 lakhs required during the year 1931-32. The difference of Rs. 64.77 lakhs represents the extent to which in 1931-32 the Army will still be living on stocks surplus to requirements, etc."

Now, Sir, that is the retrenchment that the Honourable the Finance Member wants us to thank the military authorities for. They have not made a retrenchment; they are going to live on stock surplus to the extent of 64 lakhs. Does the Honourable the Finance Member think that that is a retrenchment? Sir, according to household economy, it means nothing of the kind, and yet he wants us to think that the military economy means something very different from household economy. Take again, this question of kits. The explanation runs as follows:

"The gross annual expenditure on provision of clothing in a normal year is estimated at Rs. 106 lakhs as against only Rs. 76.80 lakhs required during the year 1931-32. The difference of Rs. 29.20 lakhs represents the extent to which in 1931-32 the Army will still be living on stock."

You draw from your stock surplus and you get these amounts during this year, and you ask the House seriously to believe that you have in these times of crisis made a very big retrenchment and thus have rendered help to the civil authorities. Surely, if the Honourable the Finance Member wants us to sing the praises of the Military Department for the retrenchment they have effected, the least he should have done was to see that these explanations were omitted from the Budget that he has presented on behalf of the Army.

Take, again, Sir, the Military Engineering Services, where there is the biggest cut of 34 or 35 lakhs, and for which the Honourable the Finance Member wanted us in particular to be very grateful to the military authorities. Now, what is the position with reference to the Military Engineering Services? According to the accounts of 1929-30, the sum required was 4,12 lakhs; according to the revised estimates of 1930-31 the sum required was 4,43 lakhs. Now, the Military Department has been so considerate because of the extremely delicate position in which my friend the Honourable the Finance Member found himself during the current year, that in the revised estimates the net expenditure is not 4,43 lakhs but 4,50 lakhs! This increase of 7 lakhs has been effected as a matter of special consideration for the feelings of the Honourable the Finance Member, who is subjected to the slings and arrows of outrageous criticism on this side of the House! Now, Sir, in the next year, the demand is 4,09 lakhs as against 4,12 lakhs in the year 1929-30. The saving is merely due to a few barracks not being built. I may explain to the House that this saving means really that the question of giving certain amenities in some cantonments by way of pure water supply and so on is delayed. Sir, this saving means therefore that in some of the cantonments some of the barracks get water just as the hundreds of millions of people do get it all over the country. They get unfiltered and impure water just as so many people get from the ordinary wells. That is the sort of retrenchment that has been suggested. I am unable to understand, dealing with this particular Military Engineering Service, why this demand is to be met in a different way from other similar demands in the Civil Budget. I see here a very illuminating note that this service bears to the Army Department what the head "Civil Works" bears to other civil heads of expenditure on the civil side. If I understand that analogy aright, the expenditure in the Civil Works Budget mainly comes from capital from loans. Now, the whole Military Budget is met from revenues. No portion of it comes from capital; no portion of it comes from loans; but it is only in the Military Engineering Service that, though the Public Works of the Military Department is analogous to the Public Works of the Civil Department, the whole amount has to be met from current revenues, and no portion of it is met from loans. At least that is how I understand the working of the Department. I do not know why this should be so.

The Honourable Sir George Schuster: I think my Honourable friend is perhaps not quite correct about that. The practice of the Government of India in the past has been to meet all expenditure, even of a non-recurring nature, from revenue, unless it was a productive expenditure. Practically the only exception to that has been the construction of New Delhi. Taking the thing on a broad scale, that is the correct statement. The practice of the Government has been, and it will continue to be, to pay for all the works, even though they are not non-recurring works, out of revenue, unless they are part of definite productive undertaking like the Railways.

Diwan Bahadur A. Ramaswami Mudaliar: I am very glad to hear that, but still I must confess I am not satisfied, because I have an impression that the whole of the Army Budget is really debited to the revenue accounts. If that is so, I do not see where the practice comes in. The Military Engineering Service of the Military Works Department is part of the Army Budget and the whole of the Army Budget Demand is debited to the current revenues, and all works therefore that are carried out by the Military Department are therefore met from the current revenues. Therefore the analogy of the Civil Works of the Public Works Department does not hold good with reference to the Military Works Department. That is my position.

Sir, these are the retrenchments for which my Honourable friend the Finance Member wants us to be especially grateful. He says that he has saved 66 lakhs because the military are living on surplus, 16 lakhs cut in another item for the same reason and 34 lakhs he has saved in Civil Works, because a few of these things, which cannot be done now, have been put off to the following year. I should like to read to the Honourable House a paragraph of the Honourable the Finance Member relating to this part of the Budget, so that they may be able to better appreciate the part that the Military Department has played and be genuinely thankful to the Military Department for what they have been able to do! In paragraph 90 the Honourable the Finance Member says:

"On top of this, by taking advantage of reduced costs of various articles and savings effected by the military authorities by their economy campaign, and also by postponing part of the ordinary military engineering services, further cuts of no less than 1,13 lakhs have been made. I wish, however, to make it clear that the possibility of this economy depends (*and here comes the cautious administrator because he does not want us to believe that next year this could be done*) partly on special savings and partly on the continuance of low prices for grain and other stores so that it may not be possible to repeat it."

I should like the House to note particularly all the superlatives that the Honourable the Finance Member has managed to put into one single sentence:

"This is an *exceptional* cut made in *exceptional* circumstances to meet the present *emergency*, and it means a retardation in the programme of re-equipment which the military authorities could not, acting purely on military considerations, have recommended."

What has the question of military re-equipment to do with these cuts? I venture to contest the accuracy of this particular sentence of the Honourable the Finance Member, but let me proceed . . .

The Honourable Sir George Schuster: As my Honourable friend has questioned the accuracy of my statement, let me make a statement on that particular point. The point is this that according to the stabilised Budget arrangement, the military authorities were entitled to expect that the benefit of any savings which they were able to achieve in that way would go towards the completion of the re-equipment programme. They have, in fact, made these savings. I quite agree with my Honourable friend's statement. In fact that was the point that I tried to make clear when I said that we might be able to repay it. I quite agree with my Honourable friend's statement that some of these savings are not really retrenchments in current expenditure at all, but they are savings in the Budget of this year, and whereas

they might have expected as a counterbalancing advantage of reducing some of their ordinary stocks to be able to get on with the re-equipment programme, they have in fact surrendered the savings. That really is the point. They are taking risks about the plans for completing their re-equipment programme.

Mr. B. V. Jadhav (Bombay Central Division: Non-Muhammadan Rural): May I ask whether when the Army contract was made . . .

Mr. President: The Honourable Member will have his turn.

Diwan Bahadur A. Ramaswami Mudaliar: Sir, though I am perfectly willing to give way to the Honourable the Finance Member if he wants to make a correction in any of my statements, I cannot allow the debate to be taken out of hands.

Mr. President: That is why I called that Honourable Member to order.

Diwan Bahadur A. Ramaswami Mudaliar: Thank you, Sir. I shall next refer to the stabilised Budget. My Honourable friend need not be under any apprehension that I am leaving that out of account altogether. Let me proceed with the statement of the Honourable Member:

"But they have proposed this special cut in order to help out the general situation, and I wish to take this occasion to express my *appreciation* of the way in which they have helped to reduce expenditure this year. I am afraid that many desirable projects for improving barracks and providing other amenities for the troops have had to be postponed, and in many cases officers who, according to the stabilised budget arrangement, had been led to expect that savings would be available for such projects have had to be disappointed."

Sir, that disappointment this House will keenly share. I am perfectly certain that nobody wants that valuable and useful expenditure should be curtailed, but if it is sought to be made out that we are so hard-hearted as not to be willing to give certain amenities to our own Indian troops and that we want to make retrenchment, I may at once say that there is no justification whatever for that accusation. Let me come to the stabilised Budget and examine for a moment what this stabilised Budget means. The whole trouble has been that this stabilised Budget has meant with the military authorities that they can do whatever they like of their own free will, and as I said just now, I think the Honourable the Finance Member is to be commiserated rather than congratulated on the part that he has played with reference to this Military Budget.

Now, Sir, it is not my criticism that I should like to offer but the criticism of the Military Accounts Committee with reference to this stabilised Budget. Here, let me explain that even with reference to the checking of accounts, the Military Budget stands in a peculiar position. Its accounts are checked by the Military Accounts Committee, an Accounts Committee, where, I believe, the Finance Secretary sits with one or two departmental heads, and the non-official side has nothing to do with it at all; and when later on the accounts relating to the Military Department come before the Public Accounts Committee of this House, my Honourable friend Mr. S. C. Mitra has only to go by the Report which the Military Accounts Committee has placed before them, and nothing else is available for them to really deal effectively with this military expenditure. I do not know whether the

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military accounts men are helped by officials on the civil side, but let me take the House through some of the criticisms that they have passed with reference to this military expenditure. They are not very happy, Sir, over this question of a stabilised Budget and they are anxious to see that the exact significance of this Budget is better understood. At page 163 of the Public Accounts Committee's Report on the Accounts of 1928-29, Volume I, the Military Accounts Committee says :

"The Committee agreed with the Auditor General that the variations from the estimates were not large, *relatively* to the amount of the total Military grant, and that their significance was further reduced by reason of the temporary stabilisation of the Budget and the latitude definitely provided under that arrangement."

It is exactly that latitude that I complain about. The military authorities had latitude because we allowed them to utilise for one purpose or another, during the course of a fixed number of years, the amounts allotted under the military head. I do not know whether the House was a party to it or not; I was not a Member of the House, but even granting for a moment that the House was a party to the scheme of stabilisation, it merely meant that the utmost economy should be observed by the military authorities and that the amount which was not used in the year of the Budget might be carried forward for use in the next year. That is how I understand the scheme of stabilisation. But what this latitude has meant is that there had been a lack of control altogether, lack of economy and lack of supervision altogether, and I say deliberately that in several ways, the military authorities, because they had a stabilised Budget, did not care to scrutinise the accounts as carefully as they would otherwise have done, if they had been responsible for every pie and if they had to make their demands year after year.

Now, Sir, let me for a moment deal with this question of surplus. I was telling the House that this large amount of 66 lakhs and odd was really due to the fact that surplus stores were being utilised. Now, Sir, what is the explanation? It is said, "The difference of Rs. 64.77 lakhs represents the extent to which in 1931-32 the Army will still be living on stocks surplus to requirements, etc., owing to surpluses accrued in former years *due to over provision on account of lack of accurate statistics*". That is the history of the Military Department and that is the accuracy with which the Accountant General of the Military Department supervises the way in which the estimates are made. Lakhs and tens of lakhs amounting to crores of rupees, perhaps, of over-estimates occur, and then, from time to time, when any emergency comes, when the House says that you cannot give more than that, the military authorities come forward and say, "We are willing to retrench, because there are surpluses on which we can live very comfortably". Is that the sort of retrenchment that the Honourable the Finance Member wants us to congratulate the Military Department upon? Surely the Honourable the Finance Member is doing an injustice to his own canons of financial propriety, if he expects the House to endorse the panegyrics that he has sung to the Military Department. There are certain economies however which the Military Department are only too anxious to make. Let me at this stage refer to one of these economies. The Territorial Force is the *Cinderella* of the Military Department. They do not like it. I venture to state from my place on the floor

of the House to the highest military authority in this country that the Territorial Force department has been given the most step-motherly treatment. Take your Public Accounts Committee's Report and you find that, in the year 1928-29, before ever any question of retrenchment came in, when you had your stabilised Budget, when you received the full amount that you asked for from this House, you saved from the Territorial Force. What business had you to do that? Why did you save from the Territorial Force? The latitude that the military authorities want for themselves is to kill any particular department which they do not favour and to spend money on any other department which they like. At page 166 of the Public Accounts Committee's Report, we find:

"The Financial Adviser explained that, as a matter of fact, the provision for the expansion of the Territorial Forces had not been diverted to other purposes,"

We are very thankful indeed that it has not been diverted; but look at what follows:

"but that the apparent discrepancy was due to the difficulty of compiling separately the expenditure relating to such expansion. He stated that 7½ lakhs had actually been spent on the scheme and the balance of 2½ lakhs carried to the Military Reserve Fund."

Sir, it does not matter whether you use it for other purposes or not. That is not the issue. You had to spend 10 lakhs on the Territorial Forces, but you have not spent it; on the other hand you have carried a portion forward to the Military Reserve Fund.

Take again, the next year, that is 1930-31. If Honourable Members will turn to page 24, they will find a decrease in expenditure for the current year 1930-31:

"Auxiliary and Territorial Forces due chiefly to saving in the grant for expansion of Territorial Forces, Five lakhs."

Now, Sir, I ask, is that justified? Is that the sort of saving, is that the sort of retrenchment for which we can sing halleluiahs to the Military Department? Is that what this House required? Did this House require the Territorial Forces grant to be cut down again and again? Now, I come to the last year, the new year, the Budget year. There again, there is retrenchment in the Territorial Forces, for which the Honourable the Finance Member wants us to sing the praises of the Military Department. The decrease for the year 1931-32, "under Auxiliary and Territorial Forces is due chiefly to the reduction of Rs. 5 lakhs in the grant for expansion of Territorial Force". Therefore in 1928-29, you saved 2½ lakhs. For 1929-30 I have not got the figures, but I venture to risk the speculation that the Military Department has taken a similar course. Now, in 1930-31, you saved Rs. 5 lakhs and in 1931-32, you unblushingly come forward with this retrenchment of five lakhs of rupees again over the Territorial Forces, which is the Cinderella of your services. I understand that the rifles to be supplied for the University Corps have been cut off already and you still want national army to be developed. You turn round and say, "Indians are not fit. Indians in many parts of the country are not fit to be enlisted in the fighting forces". You indulge in all sorts of criticism about the military character of the various classes of people, a story to which I shall refer presently, and this is the treatment which the Army

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Department has given to one important section, namely, the Indian Territorial Force, on whose development public opinion has been unanimous in this country. Now, Sir, in passing I should only like to refer

12 Noon. to one other matter with reference to the Territorial Forces. I have here before me the Regulations of the Army in India Reserve of Officers. I may explain that the rules provide that the officers serving in the various forces, when they come over to the Reserve of Officers, have their services taken into consideration and the period of their service thereafter is counted as a continuation of their past service. The rule with reference to this is this:

"Other previous King's Commissioned service in any branch of His Majesty's Naval, Military, Marine or Air Forces (including the Auxiliary Force, India), and Commissioned service in the forces of a Dominion, Crown Colony, or other British Possession, whether regular or otherwise, will count in full."

Mark the words "including Auxiliary Forces". You want to make a distinction between the Auxiliary Forces and the Territorial Forces. I am credibly informed that, in a previous set of rules published somewhere in 1926, the phrase "Territorial Forces" was also included. But now you adopt a policy, a deliberate continuous policy of emasculating the Territorial Force altogether, driving it out of existence and making it impossible for decent man to enter that force. You therefore have dropped out the words "Territorial Force" and have put in "Auxiliary Forces" where there are no Indians as such—they have only a few Anglo-Indians and Europeans there I believe. Service in the Auxiliary forces is treated as service continued in the new force, but service in the Territorial Force is excluded—step-motherly treatment for which I do not know who in this House will reply, whether it will be the Finance Member or the Army Secretary, who I understand is a civilian.

Now, Sir, let me go to another aspect of this question. Not merely has military expenditure not been curtailed, but there have been grave irregularities in the whole policy of military expenditure. I need not go into the details which were pointed out by the Public Accounts Committee, but we have been saying over and over again that the Military Budget is a bloated Budget. I want to tell the Finance Member at the very outset that in criticising the military expenditure I am not going to refer to any constitutional questions of any kind. I am aware that it can bear treatment elsewhere and in a different manner, and we have got our rights and privileges secured there; and I know that this Government are not in a position to answer, with reference to these large questions of policy, any questions that I might put at the present time. Therefore I am willing to confine myself to actual retrenchment, apart from questions of policy, apart from questions of reduction of personnel or even of Indianisation. I shall deal with retrenchment that you can now carry out, and in the first place I should like to ask the Finance Member what he has done with reference to the various outstanding disputes between the Government of Great Britain and the Government of this country. Last year, in answer to a question, the Honourable the Finance Member stated that he was vigorously pursuing the various questions outstanding between these two Governments for a settlement of financial accounts. The question of capitation charges is one of those questions which it would be a disgrace for any Government to keep unsolved for nearly 15 or 20, or how many

years, I do not know. I find from the Report—I do not wish to waste the time of the House by referring to accurate details—but in this Report the capitation charges are given, the amount is not stated. The only explanation that is given is that, before the war, the rate was £11/8, and after the war, the budgeted figure is a crore and odd. Why has not the Finance Member told us what exactly is the capitation charge today? And the capitation charge, the note says, is still to be settled between the two Governments. When are you going to settle it? Before the war it was £11/8, and at the present moment you have been forced to budget according to a particular rate which you dare not give even in your explanations, and the outstanding question has not yet been settled between this Government and the Government of Great Britain. A number of other questions are similarly outstanding. And while we are in this House talking today of this capitation charge, I can remember my esteemed leader, Sir Dinshaw Wacha, who is now a Member of another House, raising this question, when I was in my teens, this question of capitation charge. And in the Congress, year after year, leaders bewailed the fact that this is a most iniquitous charge, and I am sure if I were to rummage those old speeches, I could come across at least one speech of yours, Sir, where you have said that the capitation charge should not be a charge upon this Government. Yet this question remains unsettled even to this day; and not only that, but an increase has been made on the rate of these capitation charges.

Let me turn to another capitation charge which has slyly crept into this Budget. Take the Air Force. You have a capitation charge with reference to the Air Force. The Air Force came into existence only the other day; it was introduced just five or six years ago, and no capitation charge should have been allowed to be levied at all. What is this Government doing? I know this is an agency Government: I know it has not got plenary powers in many respects. I am also aware that the Finance Member can turn round and say, "Look at the extremely forcible and extremely spicy language in which we have addressed the Government of Great Britain with reference to this capitation charge". I am not going to be satisfied with spicy language, even if it be the language of a despatch of this Government to the Home Government. I want results. I want the Finance Member to take courage in his hands and tell them that, notwithstanding their domineering dictation, he is not prepared, as trustee of the Indian finances, to allow this charge to be put on his Budget, and that he would take the consequences. If the Finance Member were prepared to say that, we on this side, even if he were to stand alone on the burning deck, would come forward and throw, though in a different spirit to what we have done on many occasions to the proposals of the Treasury Benches, enough of cold water to put out the fire. Now, Sir, the Honourable the Finance Member is not prepared to do any such thing. There are again several other questions which are pending adjustment between the Home Government and this Government, the question of the Southern Persian Rifles, the question of various adjustments with reference to Aden and the question of other adjustments with reference to wars that have been raised. I am not raising the question of repudiation of loans. That has been very much misunderstood in this country and nobody in this House desires to raise that. But we say that, with reference to questions which you as the Government of India have raised

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already and which have been pending solution for decades with the British Government, you have not got the courage to say here and now that you must get these questions solved. Sir, the Honourable the Finance Member wants to be armed. Yesterday he made an appeal—an appeal which finds ready response so far as I am concerned—that we on this side of the House, the non-official Members, should arm him so that he might carry on the fight with whosoever might be concerned in this country or outside. I am willing to come under his regimentation; I am willing to accept him as my leader if he will carry on the fight in the matter in which all fights ought to be carried on, carry it to a finish, so that success may be ours. And I want to put forward one suggestion to him. Last year the Imperial Conference met in London, and among the Resolutions that the Imperial Conference passed, was a very significant Resolution, to which I should like the Finance Member's attention to be drawn. It said that, when there was a dispute between a Dominion and the Home Government on any question of a justiciable nature, a special tribunal should be constituted, a tribunal in which the Government of the Dominion will have a certain representation and the Home Government will have a certain representation, an equal representation, and that these members should elect a Chairman who will decide this question. I ask the Finance Member if he is prepared to take that suggestion, and if he is prepared to press that view before the Home Government. I am aware that, according to the terms of the Resolution, the Home Government should be equally a consenting party to the proposal if this tribunal is to be constituted at all. I am not going into constitutional questions at all, but these are questions which at least in this year, when we are met with such high deficits, the Finance Member should have taken up. A whole year has passed since the Finance Member replied to these particular questions in March, 1930, and I should like him to tell us what steps he has taken. I am not here prepared to make merely destructive criticism; I am prepared to help the Finance Member and make him my leader. And I put forward this suggestion to him, so that he may take time now at least and try to see whether, with the Labour Government in power—a Government which appears to us to be not altogether unsympathetic to India's interests and irresponsive to the demands that are made from this side of the House—he is prepared to go forward and have these outstanding questions settled. And if he wants that settlement to be agreeable to this House and agreeable to public opinion, let me at the same time warn him that, unless he takes some non-officials into his confidence in carrying on the fight and in constituting the committee I have suggested, he will not have the support of the public with him in any settlement that may be arrived at thereafter.

Now, Sir, let me come to the Retrenchment Committee, regarding which my Honourable friend the Finance Member again and again—if I may use language which ought not to be considered disrespectful—threw out feelers. Sir, we on this side of the House are not prepared, if I know anything about the intentions of Honourable Members, to consider the question of a retrenchment committee which sits merely to examine the Civil Budget. We do not think this is the time for such a retrenchment committee, and we do not think that any useful purpose will be done by a retrenchment committee of that nature being appointed

at the present time; not that we believe retrenchment cannot be undertaken and that cuts cannot be made; let the Finance Member be under no misapprehension on that score and let him not turn round tomorrow and say "I made this offer of a retrenchment committee, but you turned it down and thereby admitted the fact that retrenchment was not possible". Our reason is merely this; the Retrenchment Committee will take months to go through the whole of the Civil Budget and then they will send their recommendations to the Departments and the Departments will sit on them and when they come back to you you will sit on them, and the result will be that you will be able to produce something by the time when you will be out of office. I do not want the labours of the Retrenchment Committee to await the new Government; they will have to take care of it themselves. In your time, you are not going to give effect to their recommendations, and therefore I say there is no use of that Committee.

I come to the question of military expenditure. I have shown you how overstocking of surplus material is the normal way in which you are carrying on your responsibility. Let me here again quote a few observations from the Military Accounts Committee, your own official committee: (Page 164):

"The Financial Adviser reported that the amounts realised on account of the disposal of surplus and obsolete stores in recent years were as follows." (*Mark the words 'realised in recent years.'*):

	Rs.
1926-27	1,93,000
1927-28	36,72,000
1928-29	42,44,000
1929-30	29,39,000"

As a result of the sale of surplus and obsolete stores! Any business man knows what is the meaning of "sale of surplus stores". The sale of surplus stores means that the military authorities buy a thing for Rs. 100 and sell it for 10 or 15 rupees. The sale of obsolete stores means something very much worse; it means that a thing worth Rs. 100 is sold for 5 or 10 rupees. And the military authorities have sold these surplus and obsolete stores for Rs. 36 lakhs, 42 lakhs and 29 lakhs during the past three years! And mark this, Sir. This is the most curious part of it all. Mark the observations of this Committee presided over by the Finance Secretary and attended by the military authorities—very big names holding very big offices, mere mention of which must create a great impression among the non-official Members of the House. The Honourable Sir Arthur MacWatters is the Chairman of the Committee; Mr. Kaula is a member, and I see that the Army Secretary was a witness. After this statement, the Committee says:

"The Committee thought that it would be *interesting* to have similar figures every year."

Interesting, Mr. President? heart-burning would have been a more proper word for it; interesting to whom? Interesting to the military authorities? Interesting to those who have bought the surplus and unsuitable stores? Probably to them. But interesting was the last word that I should have expected with reference to this thing, which shows colossal mismanagement in the Military Department. ("Hear, hear" from the Opposition Benches.)

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Now, let me read another paragraph showing how the Army Department is managing these things. Contracts are given out and we all know the principles on which public contracts ought to be given out. You have to call for tenders; and you have to accept the lowest tender unless you are in a position to say that that tender is not the proper tender and that there is something behind it which makes it unacceptable; and you have to see that when contracts are entered into, they are kept on both sides. But in the Army Department all this is different; as in so many other things so also with these contracts; and I should like this House to know the comments, not of an irresponsible public agitator like myself but of a responsible body of Government servants who constitute the Military Accounts Committee:

"The Committee next discussed the position in regard to contracts with Colonel Gaskell who assured them that the principles laid down were being adopted generally."

There comes the word "generally". What is it they do in specific cases? They evade it or break it. The following paragraphs show how they manage contracts:

"The increase, in the year under discussion, in the number of contracts given without tenders being called for, was explained by the fact that, where extensions of works were decided upon, such extensions were entrusted in a number of cases to contractors who were carrying out the original works. Instructions had since been issued with a view to preventing a recurrence of such cases."

Next year's Public Accounts Committee will show how these instructions have been carried out.

"As regards alterations in the terms of contracts once concluded, Colonel Gaskell informed the Committee that they were being allowed only in exceptional cases and with the sanction of the proper authority."

Alterations in every case, mark you, in favour of the other party and not in favour of the Government: I challenge the Finance Member to show me a single instance of alteration in a contract which has been beneficial to the Government. We know how these alterations in the terms of a contract once concluded are made. I hope it is not the general policy of the **military authorities that alterations should be allowed as a matter of course in every case.** But even in exceptional cases, what does it come to? **Why should there be these variations? Why these novations and always to the benefit of the third party as against the public and as against the Military Department itself?** We are after all not living in hide-bound water-tight compartments; we are living in the midst of our people; we also have something to do with contractors; and if we were to inveigh against the Military Department, possibly some others are benefiting by these lax rules of the Military Department. We know that a "big salam" to the Colonel Sahib means a good alteration in the contract.

Maulvi Muhammad Yakub: (Rohilkund and Kumaon Divisions: Muhammadan Rural): What do you mean by big?

Diwan Bahadur A. Ramaswami Mudaliar: Now, at the end of it all comes the paragraph of the Military Accounts Committee:

"In conclusion, the Committee were gratified—"

gratified after all this, Mr. President? Because contracts were not made on proper tenders, gratified because contracts were being readjusted to suit the third party, gratified because surplus and obsolete stores are being sold to the extent of lakhs of rupees at the cost of the public tax-payer? But any-how gratified according to Sir Arthur MacWatters:

"In conclusion the Committee were gratified to note the opinion recorded by the Auditor General that during the year under review, the percentage of financial irregularity, detected by audit and requiring special mention was on the whole satisfactorily small and that there had been some improvement in the standard of financial discipline applied to cases of financial irregularity, etc., in which it was found possible to bring individuals to book."

But even the Military Accounts Committee cannot altogether exonerate the Military Department and they conclude:

"They considered, however, that there was room for improvement in the direction of closer and more correct estimating in the light of the instances cited in paragraph 7 and especially in paragraph 8 of the Auditor General's letter."

Now, that is the record of the Military Department. I charge them with being extravagant. I charge them with being unbusiness-like. I charge them with not paying that consideration to the money which has unfortunately been entrusted to them, which they ought to do. I am not speaking on the question of the personnel. It should not be thought that I am oblivious to the necessities of the military units, or that I am oblivious to the demands of the defence of this country. But I say purely on technical grounds, if I were the Auditor General of the Military Department, I would charge them with a great many laxities with reference to this Budget and with reference to their expenditure.

I make an offer to the Finance Member; are you prepared to appoint a retrenchment committee which will go into the whole of this military expenditure without for a moment recommending that a single unit, British or Indian, should be disbanded or taken away, without in any way questioning the military policy of the Government, but purely to go into these colossal things which have amazed this House and which certainly do not reflect the highest credit on the Military Department? Are you prepared to appoint such a retrenchment committee, to which the fullest assistance will be given by the military authorities, in going through all these things? I ask the Finance Member whether there is such a thing as a store record kept at all in these military offices. Do they know exactly the nature of the stores today in all their arsenals and in the other places where they store these things? I remember to have read somewhere in this bulky volume, or perhaps in the second volume which contains a lot of evidence, that in some places at least that is lacking.

Now, Sir, if the Honourable the Finance Member is prepared to say that there is a possibility of the appointment of some retrenchment committee—I do not commit myself to a retrenchment committee of this House alone—but if he agrees to the appointment of some retrenchment committee which would be acceptable to this House, a suggestion which my Honourable friend the Leader of the Nationalist Party made yesterday, and which other Honourable Members have made on other occasions, we shall be to a certain extent satisfied.

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Now, Sir, there is of course the usual phenomenon that what occurs in the Civil Department occurs in the Military Department also, namely, a rush of expenditure in the last month of the budgeted year. March! and everybody is set marching to see that the expenditure is somehow or other completed,—and if in the Civil Department it can be completed, what does it mean for the Military Department to complete the expenditure before the end of March? It opens a wide vista of speculation which I do not like to more specifically mention in this House.

Sir, I should like to make a personal appeal to the Honourable the Finance Member. Let him not understand for a moment that we do not realise his position. He is the last of the Trojans. There is not going to be another Finance Member of his kind in this country. He came with high hopes. When he came some time back with high hopes, we all welcomed him with high hopes, and after nearly three years of his stewardship, I think the Finance Member today is the saddest man on the Government Benches. Sir, I have witnessed Khedda operations where wild elephants are put between two tame elephants, and in the course of a few minutes or a few hours, all wildness is gone out of those wild elephants, and though to the Honourable the Finance Member cannot be attributed either wildness or elephantine qualities, I venture to think that the high hopes with which he came, the record which he wanted to establish in this country as Finance Member, all that has been made impossible, because sitting in juxtaposition there the Finance Member has been absorbed into the service of this country. We get new Members so that they may have an orientation of new policy, so that they may sit tight on all the Departments and be not absorbed by the Departments. I do not say anything unkind of the Honourable the Finance Member. Let there be no misunderstanding on that score. I appreciate his position. I appreciate his difficulties, but all I can say is that Finance Members perhaps should be much more fierce-looking if they want in any way to check the Honourable Members who are sitting by their side. Now, Sir, what is it that has resulted now? After three years of stewardship, and this is almost the last year of my Honourable friend's régime of office. I make a special appeal to him to leave behind him some foot-prints that we may remember hereafter as the footprints of a Finance Member who had done much for this country and who had tried to do in his own humble way some service for the finances of this country. The Finance Member, when he lays down the charge of his high and exalted office, should have the consolation that he has attempted some task, that he has tried to put the finances of this country on a better foundation, that he has been able to assert, as the financial controller, his impress on the whole policy of the Government, that he has controlled the Departments, and that he has made up his mind to give up many of those unnecessary expenditures which they are now incurring. The sands of his official life are fast flowing, and I venture to think that even at this stage it is not too late for the Honourable the Finance Member to get courage, to get what little courage we on this side can give him to fight his battles with the Departments, and particularly with the Military Department, so that when he lays down his office, it might not be said that he has just left one more task undone, that he has frustrated one more hope during his year of office.

Sir, that is the position with reference to the expenditure side of the military administration. If the House is not too tired of what I have been saying and desires me to proceed, I should like to say a few more words. (*Several Honourable Members*: "Please go on, go on.")

I should like now to refer to the question of policy. I have made it perfectly clear that my criticism as regards the military expenditure has nothing to do with policy whatsoever so far; I want definitely to tell the Honourable the Finance Member that we are satisfied that there can be a great deal more of saving in military expenditure, and that, although we feel that we cannot cut down anything except a trivial amount of 5 lakhs which he has put down before the House, which is not worth cutting down, I want to assure him that, when he comes again with the Finance Bill, he will find it very difficult indeed to get us to accept it; I want to give him a warning now. Let me not be misunderstood, because we are not prepared to make a 5 per cent. cut or a 10 per cent. cut. Let not the Finance Member turn round and say that he will place us in a dilemma by telling us that we have voted for the expenditure and so we must find the money. Our position is merely this. We do not want to cut down expenditure indiscriminately, but we are assured that you can make a saving, and particularly in the military administration, by at least a crore or a crore and a half, and we shall take good care to see that, when the Finance Member comes before us with his Bill again, to the extent we are able to do, we shall not give him all the amount he desires, but we shall suitably cut it down, and with that knowledge the Finance Member should come forward and try to balance his Budget. Let him not afterwards, when the Finance Bill comes up, tell us that, having voted for expenditure, we are morally bound to support him in his demands for revenue. The position is nothing of the kind. The Honourable the Finance Member has to look to the question of military expenditure, and he should find from that mainly his resources for balancing the Budget this year.

• Now, Sir, I should like very briefly to refer to the larger question of policy with reference to the future Indianisation of the forces of the Indian Army. In the first place, the question divides itself into two parts; there is the Indian Army proper, with the Indian sepoy officers by Europeans, and there is the British Army officered by British officers. These two questions have to be considered separately, and both these questions have been considered by the Defence Sub-Committee of the Round Table Conference. Let me not be misunderstood by any Honourable Member of this House as trying to dwell again on the work that has been done by the Round Table Conference. I only want to explain on the floor of this House what has been done there, so that Honourable Members may be thoroughly aware, better aware than by a bare perusal of the Report of the Defence Sub-Committee, of the reasoning which underlay their recommendations and the nature of the recommendations themselves. Now, Sir, there has been some question with reference to these two questions as to whom the Committee should be composed of. They have been called "experts" and I understand in another place, until a reply came from Great Britain, there was a good deal of uncertainty as to the meaning of the phrase "experts" and that "experts" merely meant military experts. I should like to point out in the first place that the word "military" does not find a place in that Report, but that the Report merely says that a committee of experts will be constituted to consider the question of establishment of a Sandhurst college in India, and also to consider the

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question of future Indianisation. Now, according to us who were on that Committee, it was distinctly understood that experts did not mean military experts, and if only a little more thought had been bestowed on the language of that recommendation, my friend Mr. Young being a civilian, would certainly have understood what this phrase "committee of experts" meant. It was stated that a committee of experts should be appointed consisting of Indians and Englishmen. Now, if you take it that Indians ought to be there—and you know that there are no Indians who are military experts—it obviously follows that the word "experts" does not mean military experts but those who by their special knowledge and special study of these questions can contribute to the discussion and elucidation of the problems which will come before the committee when it is constituted. Why the whole of the Army Headquarters should have been upset and unable to understand for weeks, in spite of the assistance of the latest dictionaries on the subject, the meaning of the word "experts" passes my comprehension altogether, and why a cable should have been sent from India to England and back from England to India on this very simple question, is one of those Eleusinian mysteries which I shall not attempt to solve. What the Defence Sub-Committee decided was merely this, that immediately a Sandhurst Committee should be appointed. It was really not a decision of the Defence Sub-Committee, but the announcement was made at the very start of the proceedings by Mr. Thomas, on behalf of the Government of Great Britain, who presided over the Defence Sub-Committee, that a Sandhurst College should be immediately established in India. Then we went to the question of Indianisation, and here there were two views which were given expression to. One view was that in the light of the various Reports that had already been passed, it should be made clear that Indianisation would proceed at a certain specific pace, and that the Committee should, there and then, decide what that pace should be. The other members of the Committee felt that with the limited time at their disposal—and you may remember that the Defence Sub-Committee was constituted some time about the second week of January, and we had to finish our work by the 19th or 20th—with the limited time before them and with the large number of confidential questions that might arise in relation to the subject, it was not possible or desirable that the pace should be exactly set out by that Committee, and therefore it was decided that another committee should be immediately constituted composed of Indians and Europeans, experts no doubt, experts in that matter, having special knowledge, to decide this question of the pace of Indianisation. Reference has been made to one confidential document which was unearthed at that Committee, and I should like to explain exactly what that confidential document was, particularly because in another place the head of the Army has said that all those committees' Reports will be "washed out". I do not know exactly what the military interpretation of the phrase "washed out" is, but if it means that they have got to be ignored, that they will be of no weight, that other military experts of to-day can give opinions which go directly against the opinions that have been already expressed, that whereas the Rawlinson's committee said that within a period of 30 years complete Indianisation might take place, the present military experts might turn round and say, not within a period of 30 years but within a period of 300 years it might

take place then I venture to submit that the phrase "washed out" has a different meaning to us from what it has to the military experts. They are not going to be washed out, they are going to be taken into consideration, and one recommendation of the Defence Sub-Committee is that they will be taken into consideration.

Let me explain in particular what that Report is. A committee was constituted in the year 1921 when the agitation for Indianisation of the Army was much less severe than what it is today. A committee was constituted, and Lord Rawlinson, the then Commander-in-Chief, asked his military experts to draw up a scheme. That scheme came up before the Executive Council of the Government of India at the time. It was further revised, and the last recommendation of the Government of India, the unanimous recommendation of the Government—the despatch I understand was signed by the Marquess of Reading, the then Viceroy, by Lord Rawlinson, the then Commander-in-Chief, by Sir William Vincent, by Sir Malcolm Hailey, by Sir Charles Innes, by Sir Tej Bahadur Sapru, Sir Muhammad Shafi and Sir B. N. Sarma—that went up to the Secretary of State and suggested that, within a period of 28 or 30 years, the whole scheme of Indianisation of the Indian Army should and could take place.

Mr. T. N. Ramakrishna Reddi (Madras ceded Districts and Chittoor: Non-Muhammadan Rural): The existence of that Report was denied.

Diwan Bahadur A. Ramaswami Mudaliar: It is a despatch of the Government of India. It was mentioned in the Defence Committee and was not contradicted. It was mentioned with such appropriate previous authority as was necessary for disclosing confidential communications, by two gentlemen who were previously Members of the Executive Council, namely, Sir Muhammad Shafi and Sir Tej Bahadur Sapru. If they have disclosed any confidential communications, the Official Secrets Act may be mobilised against them, but I am not responsible, and I am simply taking the facts as they have been given out by them.

Mian Muhammad Shah Nawaz: But it has been placed on the table of this House.

Diwan Bahadur A. Ramaswami Mudaliar: Yes, it has been placed on the table of the House. Lord Rawlinson, one of the highest military experts, the Marquess of Reading, who till the other day was not considered as very keen and sympathetic towards Indian aspirations, Sir Malcolm Hailey, and Sir Charles Innes, two of them, whom His Majesty the King Emperor has said are his faithful and trusted servants in the order which He issued when appointing them as Governors of various provinces—these are the gentlemen under whose signature this document has gone out. And if that is to be washed out, I hope His Excellency the Commander-in-Chief will remember what ought to take its place. It is perfectly true that when they made this recommendation, they fixed this period of 28 years or 30 years at a time when there was no question of self-government or Dominion Status for this country, at a time when the present scheme had not yet been evolved. I do not want to argue on the principle of rule of three, but it is apparent that if in 1921 when there was not this strong agitation, when the Government of the day had not decided on what it ought to do, and when, as a matter of fact, the Government of India Act had just been passed and the idea of responsible Government in the

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centre was far, far away from the minds of practical British statesmen, this was the scheme that was prepared under the unanimous signature of these gentlemen, these experts I venture to call them—I certainly think that the document which will now take its place must have a proper relation to the present day facts.

Now, Sir, that is with reference to the Indianisation of the Army. I do not want to go into the bitter history of the last few years and the attempts that have been made to throw overboard that Report. When the Skeen Committee was appointed, that Committee was not furnished with this singularly useful document, and an attempt was made to see that officers, Indians, were so posted to the different units that no British officer would, in any time, or at any period, be in a position of serving under any Indian officer—the eight units being nothing more than a racially discriminatory piece of administrative injustice. I do not want to go into that history, because we are living in better times and are having new hopes before us. Here, let me say that the Simon Commission's scheme of a Dominion army and an Imperial army was thrown overboard in the first five minutes when the Defence Sub-Committee began to consider this question. (Cheers.) There can be no question of reviving such an idea altogether.

The Sub-Committee's recommendation says:

"That immediate steps be taken to increase substantially the rate of Indianisation in the Indian Army to make it commensurate with the main object in view."

These are the two phrases that have to be considered. In the first place, the increase should be substantial, and in the second place, that it should be commensurate with the main object in view, the main object being, that "The defence of India must to an increasing extent be the concern of the Indian people" and in view of the new constitution which is developing. They continue to say, regard must be had to all relevant considerations, such as the maintenance, of the requisite standard of efficiency, etc. Now, Sir, I should like to refer to another portion of this Committee's Report, to which attention was not adverted in the speech of His Excellency the Commander-in-Chief in another place—a recommendation which is just as important and which will be examined by a committee. The Report says:

"That in order to avoid delay the Government of India be instructed to set up a Committee of Experts, both British and Indian, to work out the details of the establishment of such a college (a training college).

The Committee also recognise the great importance attached by Indian thought to the reduction of the number of British troops in India to the lowest possible figure and consider that the question should form the subject of early expert investigation."

That is a point to which my Honourable friend Mian Muhammad Shah Nawaz referred this morning. So that the substitution of purely British troops, as far as possible, by Indian troops was also a part of that committee's recommendations. In conclusion, this Report, to which all the Conservative delegates, all the Liberal delegates and all the representatives of His Majesty's Government were parties, because it is a unanimous Report—this Report says:

"In agreeing to the foregoing recommendations, the Committee were unanimous in their view that the declaration must not be taken as a mere pious expression of opinion, but that immediately the Conference was concluded, steps should be taken to deal effectively with the recommendations made."

These are the provisions with reference to the Indianisation of the Army. Now, Sir, I wish to advert to one other remark that was made in another place by His Excellency the Commander-in-Chief. Very often it is suggested that this question of Indianisation will be taken up and that we must always remember that the military is not like the civil Departments, that you are dealing there not with files and red tape, but that you are dealing with human agency, and that you have to be very, very careful with reference to these matters. To quote the language of His Excellency the Commander-in-Chief:

"They will have to recommend how we shall be able to produce a body of young men capable of training the Army in peace and of leading it in war, men whom the magnificent soldiers of the Indian Army will be content to follow when their lives are at stake."

Sir, I venture to raise my humble voice of protest against a statement of that kind. You are doing injustice to yourself. You are not doing justice to the Indian soldiers when you suggest the possibility of their being discontented with the future recruited Indian officers of the Army. Suppose I were to turn round—I know outside this House I would come under various penal clauses—and speak of the European recruited officers as not being qualified either morally or physically to lead the splendid battalions of Indian troops that are now under their control. Would that be fair? By all means fix your rate of Indianisation. By all means reject in your selection committees those who, you think, are not qualified, but a general statement like that—that Indian soldiers may not be content to follow those who may be put above them—and practically carrying on an agitation among the Indian soldiers inviting them to enter a caveat against the future process of Indianisation, is likely to do great harm in the future. I do not want to construe either the words or the intentions of His Excellency the Commander-in-Chief. These words have been uttered so often before by others. I have not got any particular complaint against His Excellency the Commander-in-Chief. But these words have been so repeatedly uttered, and it has been so often suggested that Indian soldiers may not be content to follow their leaders, who may be the future officers of the Army, that I say that this is not a fair thing to do. Have as rigorous a test as possible. Exclude the men who you think will not make able officers, but to prejudge the whole issue and more than that, to sow discord among Indian troops and to carry on an agitation among the ranks of the Indian troops and to suggest that they may not be content to follow the lead of the officers who may be put over them, is a thing that ought not to be allowed. It is not fair to the scheme of Indianisation. It is not fair to the Indian people. Reprisals are so easy that I do not venture to dwell on those reprisals.

I am very thankful to you for the great indulgence that you have shown me in the course of this debate. I only want to say this—that the Finance Member must be able to assert himself in these matters, and find his money mainly from the Military Budget. There is no use of his turning round and saying that he is powerless in the matter. Exceptional crises require exceptional remedies, and even the Military, the great Department which is untouchable, even that Military Department must come into some correlation with existing facts. Even they must realise that while Rome is burning, the military cannot go on having surpluses and purchasing unsaleable stores. They must realise that at this time of crisis, they should come to the real help of the civil

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Department and they should cut down expenditure wherever they can possibly do so. I venture to state that, unless this is done, there is no hope of balancing your Budget. Sir, I thank you.

Mr. Jagan Nath Aggarwal (Jullundur Division: Non-Muhammadan): Sir, after the very learned and able criticism of the Military Budget by my friend, Mr. Ramaswami Mudaliar, I do not think much has been left for me to say. I feel however in duty bound to draw the attention of the House to a few subjects underlying this question of military expenditure. We have seen how the military expenditure stands at the extraordinary figure of 55 crores, and the Finance Member has said, as a great measure of retrenchment, that he has been able to bring it down to 52½ crores. Now, looking at these figures, one may not have an idea of the immensity of the amount that we are spending on these military services. We must look at it from another point of view and find out what relation it bears to our total revenue. With regard to this, you will be pleased to remember that I had occasion to point out in another connection that this expenditure of the Military Department amounts to no less than 62½ per cent. of the current expenditure of the Central Government. This enormous figure of 62½ per cent. is one that is worth looking into. The Government of India as at present constituted are in no sense a Government constituted solely for the purpose of defence. They are in some respects a paternal government, in some respects a highly socialistic government. They carry on all the ordinary activities of a modern government. They own vast domains of forests, railways, canals and so on. For a Government like this, 62½ per cent. of the expenditure for the Army alone is an extravagant provision. Now, let us look a little more closely into it. We find that this expenditure has not been going on at this scale from very old times. Since 1913, India has suffered this expenditure to go up by not less than 100 per cent. I will just quote a few figures from the Simon Commission's Report, Vol. II, page 217. Great Britain has increased this expenditure from 1913 by 48 per cent. It was 77·2 million pounds in 1913. It is 115 in 1928, an increase of 48·9 per cent. Sir, you will remember that Great Britain is the very centre of the Empire, having to face European combinations and having a far flung empire. The Dominions of Great Britain have increased this expenditure from 9 millions to 12 millions, an increase of 33 per cent. What do we find in the case of India? It is only a part of the Empire, having no extra obligations beyond her own frontier. We have had an increase from 22 million pounds to 44 millions, an increase of 100 per cent. That is one aspect of the case. One would think that India was engaged in a terrible war inside and outside. The position is that even eight years after the Great War, India had obtained no relief, and this is quite against the practice of all other countries in the world. We have not got any relief from the greater sense of world security which has obtained since the War. This is the problem which faces us. We have increased our expenditure by 100 per cent. Are we such a military nation? Are we out to encroach on the territory of our neighbours? Nothing of the kind. Coming to the figures, I would put the subject in another way. The position is that the whole of the Customs revenue, practically amounting to over 55 crores, which my Honourable friend, the Finance Member, is taking such great care to nurse and to increase by various devices such

as surcharges, 10 per cent. increase, Imperial preference, tariffs and so on, is swallowed up by this Military Department. That is the alarming problem we have to face. With regard to retrenchment, and the great waste now going on in the Military Department, that subject has been dealt with at great length by my Honourable friend, Mr. Mudaliar, who has preceded me, and I do not wish to weary the House with the details. I shall however place the matter before you from another point of view. Speaking in another place, His Excellency the Commander-in-Chief made a statement implementing the declaration of the Round Table Conference, to which I shall come presently, in a spirit which I entirely appreciate. He said: "I would like to draw the attention of this Honourable House to the vast difference in the atmosphere in which this Committee will sit and the atmosphere in which the previous committee sat". This committee was a committee appointed to recommend the establishment of an Indian Sandhurst. His Excellency announced a committee to be immediately constituted to carry out the declaration of the Prime Minister, and I am sorry the Army Member has not made any declaration in this House. There have been three previous committees, a fact which was not previously admitted in this House. There was the Military Requirements Committee of Lord Rawlinson, the Shea Committee and the Skeen Committee. His Excellency said that all these committees sat in an atmosphere of unreality. Now, Sir, these are important words—an atmosphere of unreality. I will just explain what the atmosphere of unreality means. When we talked of the experts of these committees, we were told that there were no such committees or in official parlance they had no knowledge of it. Now, Sir, if the Army Member had no knowledge of it, certainly we, poor non-official mortals, could have no knowledge of it. But it so happened that the representative of the Committee of Imperial Defence before the Round Table Conference had a better show to make; or some Army member, having got hold of the document and being more faithful to the interests both of India and of England, gave away the show, and that document must have come as a surprise to my Honourable friends opposite that the existence of these two committees and the very alarming Reports which these committees presented could no longer be kept a secret. Now the element of unreality then consisted first in ignoring the existence of these Reports. Then comes another element of unreality. The Skeen Committee presented its Report, recommending the early establishment of a military college. Well, a military college had to be established; Resolution after Resolution of this House demanded of the Army Member that this college should be established in 1933. Well, he had said so in some form or other that this college was to be established. Why then did he not ask for the money to establish it? The reply was, "Yes, but 1933 was three years ahead". Then came the inconvenient truth that they could only hope to establish this college when there was a convenient flow of recruits to man the college. "We cannot have a college without students", but you cannot. Sir, have a supply before there is a demand? So there was that element of unreality. The Committee had recommended the establishment of a college; the military people did not want it; the Indian people wanted it, and therefore it was a game between these people, the military and the Indian people both saying, with different motives in their mind, that the college should be there, or should not, be there. That was the atmosphere of unreality. Now let us hope that any pronouncement that the Army Secretary makes today will be in that air of reality and not of unreality.

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as in the past. Now we find His Excellency the Commander-in-Chief said in another place:

"To my mind they all sat in an atmosphere of unreality. The principle of Indianisation was only very partially accepted."

Thus, all the Resolutions on the subject which had been moved from this side of the House had been only very partially accepted, and, "The principle of the establishment of an Indian Sandhurst was constantly turned down". The reason why it was turned down we do not know, but it was constantly turned down. It is said that the situation now is profoundly altered, and I am very glad to hear it. Let us hope it will be altered in this House too:

"The young plant of Indianisation has now had seven years' growth, and if it is still delicate and its constitution is not yet wholly satisfactory, it"—this plant of seven years' growth—"has now the declared support of both Governments, the Government at home and here, while an Indian Sandhurst has been actually approved by both Governments and will be an accomplished fact before very long."

The new committee will therefore deliberate not in an atmosphere of unreality, but as practical men endeavouring to submit practical proposals on a declared policy. Now, Sir, that is the situation in which we find ourselves, that according to the declaration of His Excellency, this Indian Sandhurst is coming. Sir, let us hope it is coming in this altered atmosphere, and that it has a much more real object than it had hitherto had. I take His Excellency's words to be absolutely true in spirit, and I entirely appreciate them, but I hope the Army Secretary will be able to improve upon that and will not try to take away one word from this declaration which His Excellency made in another place. This declaration, we take it, has the high authority of His Majesty's Government in England, but we were much amused to find that the meaning attached to the word "expert", was a matter of reference to the Government in England. It was with reference to the declaration in this sentence of the recommendation at page 62 in the Report of the Defence Sub-Committee of the Round Table Conference:

"That in order to avoid delay, the Government of India be instructed to set up a Committee of Experts, both British and Indian (including the representatives of Indian States)."

Now that could not possibly include officials; it was bound to include non-officials; and on that point—you may also bear with me for a minute—the word "expert" was defined by His Majesty's Government thus:

"The term 'expert' would include a person, whether official or otherwise, who is qualified by special knowledge or experience to contribute to the solution of these particular problems, those particular problems being to work out the details of the establishment of a college in India to train candidates for commissions in all arms of the Indian Defence services."

This definition, then, of the word "expert" comes in very handy now,— "Persons who can establish by their expert knowledge or otherwise their claim to contribute to the successful inauguration of the military college". In this connection, Sir, I have two observations to make. First and foremost, we have the settled principle, which has been accepted, that there must be one standard for the admission of Indians as of anybody else.

There ought not to be various standards for various classes or communities, but there should be one standard of efficiency. Put it as high as you can, as high as you like, for instance, that your brain must be of a certain quality, that your knowledge in arithmetic, algebra or geometry must be of such and such a standard, that your biceps must be developed so far, that your chest must have so much development, that you must know gymnastics, swimming, rowing; put up any standard of efficiency you like. Now in this connection I may be permitted to mention that the co-operation of the educational authorities will be a very valuable asset. It is desirable to enlist all the talent in the country, as far as we can, and therefore, Sir, I would suggest that, when this committee of experts is set up, the educational authorities and the university authorities would by their knowledge of the actual conditions, be able to show how far the educated youth of this country would be able to join these colleges, and their co-operation would be of immense value. Therefore I commend that suggestion to the Army authorities for what it is worth—that in constituting this committee, they should look ahead, look about and enlist the help and co-operation of the educational and university centres. Secondly—and this is a far more important question—I hope the admission to these colleges will not be on any such restricted basis that such and such classes and castes alone would be admitted. Hitherto, we have to say with great regret, the policy of the Government has been to restrict admission to the Army to certain classes, and thus a very inconvenient and inequitable formula was adopted which might have stood the test of time during the last seventy years, but is too rigid for these times, Sir, the universal demand now is for a truly national army composed of all classes of citizens, all of whom shall have to bear the burden of defence. Provided they come up to the standard fixed, you must be prepared to admit all classes. You must give up the petty-fogging attempt to introduce a class here and a class there; you must give up taking men only according to the formula, "This man is the son of one belonging to the agricultural class", "That man belongs to the martial class", and so on; you must open the portals of your college to all; you must take the best material in the country from whatever place it may hail and train it. Your military recruitment policy must be democratic.

Sir, I hope the encouraging words of His Excellency in another place which I have read out will be very faithfully carried out. Now with regard to one or two other matters, I may just claim your attention for a while. In this connection one may just notice this salient fact, that the Army in India is very expensive from two points of view. The first is that this is an Army which is kept in India for the purpose not only of India but, as has been pointed out before, it performs a triple service. It is kept for the purpose of preventing internal commotion, secondly, for the purpose of frontier defence, and thirdly, what is more important, for the purpose of discharging Imperial obligations. Now, Sir, it is this part of the case that I submit should be examined rather more carefully. In this connection I wish to draw the attention of the House to a very weighty pronouncement by no less a person than Lord Curzon who in the introduction to his book on the British Corps in France wrote:

"The Indian Army in fact has always possessed and has been proud of possessing a triple function—the preservation of internal peace in India itself, the defence of the Indian frontiers, and preparedness to embark at a moment's notice for Imperial service in all parts of the globe."

[Mr. Jagan Nath Aggarwal.]

Now, Sir, if this is a matter of credit—and we are very proud of it—1 P.M. that the Indian Army has acquitted itself so well in these various theatres of war, not only during the Great War, but before and since, and if it is prepared to embark at a moment's notice for Imperial services in other parts of the globe, then I respectfully submit that it ought to be a necessary consequence that that Imperial body, which is responsible for sending these troops or keeping them, should bear their expense. It has been pointed out that the moment these Indian troops embark on some other theatre of war, the British Government have got to pay for them. That is precisely so. But the whole question is that you may keep them for 20 years and may use them in war only for 20 months. So you pay really only for 20 months, but what about the 20 years? Sir, this 100 per cent. increase in the Army is due to this important fact, namely, that the Indian Army here is kept in order to be ready at a moment's notice to discharge Imperial obligations abroad. In this connection, I give a quotation again from Lord Curzon:

“In this third aspect, India has for long been one of the most important units in the scheme of British Imperial defence, providing the British Government with a striking force always ready, of admirable efficiency and assured valour.”

I am thankful to Lord Curzon for all these superlatives which, I submit, the Indian Army well deserves, but I submit that somebody else must now pay the piper. We have paid it too long and too foolishly. This is a matter to which this House should direct its attention, because in all self-governing countries we have seen that the military burden is borne by those countries themselves. Sir, the military expenditure of this country is simply terrible, and we have, during the last year and this, as has been shown so clearly, levied 20 crores of extra taxation, and I do not know whether my friend, the Honourable the Finance Member, will be able to justify it. Sir, we are passing through critical times, and conditions are not temporary. Therefore these 20 crores of rupees, which my friend hopes to get by additional taxation, will not bridge over the gulf.

The second aspect of the case must also be considered that it is possible to replace British troops by Indian troops. That aspect of the question has also got to be looked at. It has been pointed out over and over again—and I do not wish to weary the House by repeating it—that the cost of a British soldier is five times the cost of an Indian soldier. Now, Sir, that would mean that if one unit of the British Army were sent back, we would be able to get five units of the Indian Army in its place. In the present circumstances and with the present personnel and management and efficiency and all the rest of it, we could very well manage to raise in place of five units of the Army say 2½ units. Economy is possible in a much greater degree in that way. I have just invited the attention of the House to this question because I find that the atmosphere has changed, and we are not living in an atmosphere of unreality. Therefore, I wish to make a present of this quotation from a very high source which the Army Secretary might like to take note of. This House will remember that a committee was appointed known as the Esher Committee, which recommended that the Army in India was regarded as a part of the Imperial defence forces, on which the Assembly appointed a committee which made certain recommendations. As a result of that, the Governor General in Council proposed a reduction. How it was

dealt with by the Army Department at home is a matter to which I may be permitted to draw the attention of the House. I am quoting from a book of Sir Sivaswami Aiyar called "Indian Constitutional Problems". (Of course, the quotation which I am concerned with is given from another source, which I will indicate :

"A very interesting light is thrown upon the real attitude of the military authorities in India by the correspondence between Lord Rawlinson, the then Commander-in-Chief of India, and Field-Marshal Sir Henry Wilson, then Chief of the Imperial General Staff in the United Kingdom. The following passage shows that in spite of a decision arrived at by the Governor General in Council to reduce the British troops by four battalions and two cavalry regiments, Lord Rawlinson thought it fit to appeal direct to the Chief of the General Staff against the decision. This is what Sir Henry Wilson entered in his diary.

"At five o'clock, I got a S. O. S. from Philip Chetwode, who reported a wire just received to me from Rawly, which said that, in spite of his most strenuous opposition, the Viceroy in Council had ordered a reduction of British troops by four battalions and two cavalry regiments. Rawly says this is 'madness' and asks for my help. I have wired to Philip to go to Montagu and to find out whether I am or am not his military adviser; and I told Philip not to be put off by being told that this was a matter of internal economy to be decided by the Viceroy in Council, because the internal security in India, the protection of her frontiers, the power to send troops to countries outside her frontiers such as Mesopotamia, Burma, Singapore and Hongkong, and finally the obligation on Home Government to reinforce India in case of necessity, were all matters interwoven with Imperial strategy and therefore come under me.

I wonder what Philip will get as an answer. As I said a week ago when writing to Rawly, Montagu and Chelmsford have set up a council with a lot of natives on it and have lost control, and now they dare not impose the extra taxation necessary'."

I pause here for a minute because this was written seven or eight years back. The atmosphere is changed, things have changed and I take it that the angle of vision from which the Army Secretary will look at it is also changed. To continue the quotation :

"This same council will before long refuse to allow Indian native troops to serve outside of India."

What followed my learned friend will be able to indicate to us. This is one part of the subject.

Then, Sir, a good many other matters would call for notice, but I pause to consider only one subject of much humbler dimensions than the other important matters which come within the administration of the Army Department. There is one subject to which attention need be drawn and that is the administration of the cantonments. Now, Sir, these cantonments have grown up not as a matter of accident, but as a matter of design. At a time when these cantonments were established, the authorities wanted the people to come over and live in them just as you want people to come over and live in New Delhi, by coaxing, cajoling, granting pieces of land and various other devices. By these means a certain amount of civil population was brought there. Of course, those were the times when the Military Department was more profuse in its promises and in grants than in threats. That population has grown up and we all know that these cantonments are no longer mere annexes of the Military forces. They are big civil stations, with trade, commerce and industry, such as, at Ambala, Sialkot, Ferozepore and Jullundur. I am talking of the Punjab only. There are the various cantonments, the administration of which was carried on at any rate up to 1924, and I am sorry to say is carried on in spirit though not in letter at the present time, in more

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or less inelastic manner. After a good deal of agitation in 1924, instead of a small Cantonment Act followed by Regulations or Rules which were called the Cantonment Code, we have now a comprehensive measure called the Indian Cantonment Act. Now, Sir, one of the things which has been troubling the cantonment people, and to which I wish to draw the attention of the Army Secretary, is that there was a section in the old Cantonment Code, and there is a section in the present Act, which permits the Officer Commanding to order the expulsion of any person from the cantonment whom he considers of an undesirable character. If this section had not been used in the way that it has been used of late, I would not have raised any objection to it. Nobody on this side of the House would for a moment suggest that persons who are guilty of seducing persons from their loyalty or of otherwise tampering with the military forces or the air forces, or persons who are otherwise engaged in such designs should be allowed to live in cantonments. We do not want that. But the question is that in the civil population there are persons who may become unacceptable to the military authorities, just as a good many people outside do become unacceptable to the civil population in the country as a result of the repercussions of movements in the country. There are various methods of punishing these people under the ordinary law, but the military people have a simpler way of dealing with them, viz., by expelling these people from these cantonments. Now, what has happened is that under the Code of 1910 a good many people are at present serving the sentences of expulsion. I put it to the Army Member whether he has ever looked into the cases of these people and the particular hardships that are involved therein. A person is there in his place whose activities are not acceptable to the Army Department, and he is ordered to quit the cantonment, leave his property, leave his relations and also leave his means of livelihood. Persons like that have been there and under the Cantonments Act of 1912, they have not been permitted up till now to return to their homes. Has anybody looked into those cases? Similarly under the present Cantonments Act, a number of persons has suffered expulsion, and I put it to you, Sir, we are living at a time when the rule of law is supposed to be law for all men, when the same law is supposed to prevail not only in civil areas but also in these military areas. But in practice there is nothing of the kind. For these civil populations, where is the rule of law which permits expulsion of this kind for a person without any trial, without giving the man an opportunity of explaining his position, though there are certain provisions that a man will be called upon and so on and so forth. But, I say, Sir, you do not place a man on trial before a court of law. You have only the summary power of turning him out from his place where he may have been living for several years. These are the hard cases to which I wish to draw the attention of the House. If you want a clearer and cooler and calmer atmosphere, then you ought to change your angle of vision, you ought to look into the cases of these people and permit those people—unless they have been guilty of seducing the Army or tampering with their loyalty—wholesale to return to their homes, if you want quiet and peace to prevail. People outside, on the civil side, have had their amnesty owing to the peace agreement just now concluded, and I submit those who live in the military areas should also have their amnesty. During the last six years hundreds of persons have been turned out of their homes in the cantonment areas, and they

should all be permitted to return to their homes. This is the last subject, Sir, to which I would invite the attention of the Honourable Member.

The Assembly then adjourned for Lunch till a Quarter Past Two of the Clock.

The Assembly re-assembled after Lunch at a Quarter Past two of the Clock; Mr. President in the Chair.

Dr. Ziauddin Ahmad (United Provinces Southern Divisions: Muhammadan Rural): Sir, just one year and two days ago, this party moved a similar cut and it was carried by 49 votes against 44. A year has passed away and we are today just in the same position as we were in 1930. The speeches that were delivered last year drew the attention of the Army Secretary to the recommendations of the Indian Sandhurst Committee. No action has been taken during this interval. The Leader of the Independent Party, Mr. Jinnah, complimented the Army Secretary as an expert in giving evasive replies, but I hope he will not give evasive replies this year too but that he will give direct replies to the questions that are raised from this side of the House.

Sir, coming first to the recommendations of the Indian Sandhurst Committee, it was pointed out that no action has yet been taken about the establishment of an Indian Sandhurst. I do not believe that it can be established by an Aladin's lamp. There are so many important things to be discussed, the location of the site and the building, the syllabus and the courses of study, rules and regulations, etc., all these matters should be settled before the College is in working order. So unless the work is taken up in right earnest and immediately, it will be impossible to establish the Indian Sandhurst in 1933. The second thing to which attention has been repeatedly drawn,—it was pointed out today and also recommended by the Indian Sandhurst Committee—is the abolition of the 8 unit scheme. In this connection nothing has been done, and we would like to have a definite reply from the Army Secretary and not the evasive reply that he has been accustomed to give. The third important suggestion of the Indian Sandhurst Committee was that suitable Indian students from British Universities should be granted direct commissions in the Army. I should like to know how many Indians have been selected during the last four years from the British Universities. The fourth recommendation, which was really also an important recommendation, was that Indians should be made eligible to be employed as King's Commissioned officers in the Artillery, Engineer, Signal, Tank and Air arms of the Army in India; and in this connection I should like to have some figures as to how many Indians have been selected for these technical grades. The fifth recommendation was that Indian cadets who qualify at Woolwich, and later, those who qualify in India by the course corresponding to that of Woolwich, should complete their initial training in exactly the same way as the British cadet does at present, i.e., by attending courses at Chatham and Cambridge in the case of Engineer officers and at Larkhill in the case of Artillery officers. Here also I should like to know from the Army Secretary what has been done about this recommendation.

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These were the main recommendations of the Indian Sandhurst Committee, and now we come to the subsidiary recommendations, and I should like to know what has been done in that connection.

One of the very important suggestions that was made was that the Government of India should impress upon the educational authorities the paramount importance of reforming the system of education in India with a view to developing in the pupils of the ordinary schools and colleges those characteristics so essential in an army officer, to which little or no attention is at present paid by them, and should appeal to them to re-organise the institutions under their control to this end. Here I should like to know what action has been taken either by the Army or by the Education Department to reform the educational system. Have they ever appointed a committee to consider these questions? Have they issued any circular to the Principals of Colleges or the Registrars of the Universities drawing their attention to the need for reforming the educational system? This is a reform which is badly needed. But, I am not going to dilate upon it today. I simply say all this, in order to find out what action, if any, Government have taken to give effect to these very important recommendations of the Sandhurst Committee. Sir, this year I expect a better reply from the Treasury Benches, and I hope that they will be able to tell us what they have done during the last 12 months.

Sir, the second point that I should like to take up, which was raised by the Honourable the Mover of this motion, but on which I will just give some more details, is the question of the reduction of the number of men in an infantry battalion. In the old days we had 866 men in a battalion, and it was pointed out by the Army Secretary last year that the number had been reduced to 728. Further reduction is also possible according to the recommendations of the Inchcape Committee. The Inchcape Committee suggested that during the war time the number should be 776 and during peace time the number should be further reduced by 20 per cent.; and if we reduce 776 by 20 per cent., a further reduction of 110 for the present number of 728 is possible as was pointed out by the Mover of the motion. I also calculated the figures as to how much reduction we could make if we carry out this important recommendation of the Inchcape Committee I came to the conclusion that the Finance Member will no longer need fresh taxation on income-tax, because that will be covered by the saving in the Army Budget under this head alone.

Sir, we have at present, as was also pointed out, two lakhs and 26 thousand odd Indian soldiers. Out of this we require some force, I put it approximately at 26 thousand, for internal peace, and the remaining two lakhs are kept in harness to keep peace on the Frontier Province. It was pointed out last year, and I would like to repeat it here again, that the whole population of these borderline tribes for whom we have to maintain such a large Army is only 30 lakhs, and out of this it was calculated that the number of persons who are actually able to fight does not exceed 7 or 8 lakhs. Is it at all desirable that we should maintain such a big Army in order to keep only 7 or 8 lakhs persons in order? We keep them in disorder simply because we keep a large force to keep in order. Such an expenditure to my mind is exceedingly undesirable. Before we determine the exact strength of Army required for defence, it is first necessary to define our frontier policy. We should first like to know—and the

answer to the whole question depends upon this fact—what is the boundary line of India on the North West side? This question was not directly taken up by the Simon Commission; it was omitted also in the Despatch of the Government of India; and in the Report of the Round Table Conference as given to us, the question is not handled directly. It is of the utmost importance that we should know what is the boundary line on the North West side of India and what is our North West Frontier policy. From the First Afghan War the question has been agitating all the political and military authorities as to what should be the boundary line of India. There were the people who advocated a forward policy, and they suggested that the boundary line should be adjacent to Russia, or at least adjacent to Afghanistan. Then there were the advocates of what may be called the backward policy and they said that the boundary line of India should be the River Indus, which is its natural boundary. A great conflict went on for a very long time between the advocates of the forward and the backward policies, till 1893, when the Durand Line was defined and clearly marked. It is an artificial line marked out on the trans-frontier area. This Durand Line is sometimes alleged to be the boundary line of India. This line was defined in 1893, but from the speeches and despatches later on, it looks as if this was never clearly admitted. I shall just read a despatch from Lord George Hamilton in 1901 in which he said that:

“The policy of maintaining a weak buffer state between two strong empires was an experiment made many years ago and it certainly has not proved a success either in Afghanistan or Persia. I look forward to the day when the frontiers of Great Britain and Russia may be coterminous.”

Evidently, this despatch of Lord George Hamilton has not been officially denied: at least I have never seen it anywhere and we have got a suspicion in our minds that it is quite possible that this large Army is maintained not so much for the protection of India, as for contemplated attack in trying to make the boundaries of India coincide with Russia. The Durand Line did not settle the controversy between the two policies. A third policy has been brought into the controversy called a stationary policy. We should first of all clearly define what our border line is, and I think this is a question which should be settled once for all. I from this side of the House advocate very strongly that India's boundary should be definitely defined as the Durand Line and we should give up once for all the backward and forward policies. It is on this policy that we should establish our frontier defence and it is on this policy that we should estimate the Army we require for defence purposes. This is the first point, as I said, which should be settled before we can determine the strength of the Army.

Now, Sir, after defining the boundary line, we should take up next the very important question of how much Army we require for different purposes. We have got three distinct objects. One is the maintenance of internal peace. The second is the defence of our frontier borders, and the third is the foreign attack, outside the border tribes, or what I may call the Imperial Defence. These are the three distinct objects, and before we can undertake any question of Army review or curtailment of expenditure we should have some clear idea before us how much Army we require for each of these three purposes. It should be formed no doubt by military experts, but their opinions and their reports should be open to

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discussion by the Assembly and then we will be in a position to face our Military Budget. I admit, and every one will admit, that the Military Budget at present is a very top-heavy one. It was pointed out today by Mr. Aggarwal that the expenditure on the military is 62 per cent., of the total expenditure of the Central Government and that if we exclude payments on account of interest, which is after all not an administrative expenditure, this military expenditure rises to about 75 per cent. And I think everybody will agree that devoting 75 per cent., of the total expenditure to military purposes in time of peace cannot be justified by any logical argument or by any administrative reasons. After all there is a certain limit beyond which military expenditure ought not to go. There are more important subjects—nation building subjects like education, the development of industries, health and sanitation and medicine which must have a prior claim to military expenditure; and no country in the world can devote three-fourths of its resources for destructive purposes and leave only one-fourth of its resources for constructive work and for administration. In order to avoid this state of affairs, it is desirable, as I have just pointed out, that military experts should determine the strength of the Army necessary for each of these three purposes; and after determining the strength of the Army for each of these three purposes, we will be able to determine the expenditure for the Army.

Reference has already been made today to the Territorial and Auxiliary Forces. I was a member of the Territorial Force Committee, but on account of my departure to England, I had to resign and I was convinced at that time, and I am convinced today, that the present artificial division between the Territorial Force and the Auxiliary Force is nothing but a racial division. All Europeans and Anglo-Indians go to the Auxiliary Force and all the Indians go to the Territorial Force; and as the Honourable gentlemen from Madras pointed out this Territorial Force is really a step-child. We want a very drastic change, and really speaking this Auxiliary Force might be re-organised as a second line of defence; the Territorial Force may be taken to be a third line of defence, and they may be called out in time of necessity. We should fix the strength of the regular Army we require for peace time; and in order to meet emergencies and special occasions, we should determine the strength of Auxiliary and Territorial Forces. In this connection I may also mention by the way that invidious distinction will disappear if the Auxiliary Force is taken to be a second line of defence and the Territorial Forces as the third line of defence, and no person should be admitted to the Auxiliary Forces unless he has served for a certain number of years in the Territorial Force, so that the approach to the Auxiliary Force may be through the Territorial Force and then this racial distinction, of which we complain today, will disappear.

So much about the maintenance of peace and order in the country. Then we come to our frontier defence. This also is a matter which will require very careful consideration: and if we stick to the Durand Line and treat our settled districts like the other provinces and the unsettled tracts, as pointed out in the Simon Report, as a kind of Indian States with separate agencies attached to the Frontier Province, then most of the difficulties will be minimised and we will not be required to maintain a large Army

"Taking this as the fundamental principle, the military authorities ought to calculate the exact strength of the forces necessary for the defence of the five settled districts and for maintaining peace in the trans-frontier area." After calculating the strength of the force for these two purposes, I have no hesitation in saying that India ought to contribute also for Imperial defence. The amount of money which we ought to spend, and the strength of the forces which we ought to maintain for Imperial defence may be settled in consultation with the War Council or the Imperial Defence Council, and India will contribute her quota for this Imperial defence. The Army should not be out of proportion to the resources of this country.

Sir, there has been a good deal of discussion as regards capitation adjustments between India and England. In this connection I should like to draw the attention of the House to one point. It was discussed in the Indian Sandhurst Committee, though definite recommendations were not recorded, and it is this, that whenever any British Army or British officers are deputed to the Indian Army, they should be given an Indian Commission in the same manner as Dominion Commissions are given to English Army officers deputed to Canada or other Dominions. Therefore, any British Army officers who may be stationed in India may be definitely included in the Indian Army, and they may be included in the quota which India is required to maintain for Imperial defence. If this arrangement is followed, all these troubles about the adjustments will disappear. I do not believe that we should pay a lump sum of money to Britain for the maintenance of the Navy or Air Force. We should maintain our own quota of Navy; we should maintain our own quota of Army and our own quota of the Air Force, all these forces should remain in India and definitely under the Indian Government.

Sir, as regards the expenditure, there is one thing more which I should like to find out, and perhaps the Honourable the Finance Member may be able to explain that. In the Railway Budget supplied to us at page 8, it was definitely pointed out that the contribution from the Railways to the general fund was 7 crores 45 lakhs, out of which they deducted the expenditure due to strategic lines, i.e., 1 crore 72 lakhs, and they only gave 5 crores 73 lakhs, while in the Memorandum supplied to us by the Financial Secretary, I find that on the Receipts side only 5 crores 73 lakhs are mentioned, and there is no mention whatever of the receipt of 1 crore 73 lakhs which the Railway Board spent for military lines. Now, I wonder under what account I should put these 173 lakhs. Should I add this amount to the 52 crores that has been put down for 1931-32 or should I add it to the discredit, shall I say, of the Railway Board? Of course, it is no credit to the Railway Board at all, because the contribution of 1 crore 73 lakhs which they made to the military authorities ought to have been placed to the credit of the Railway Board. As I said last time, the Railway Board is like an old horse whose yield is inversely proportional to the capital and it should not be made to look older by artificially reducing its contribution and general revenue.

Sir, before I sit down, I should like to make an appeal to the Army Secretary and to the Honourable the Finance Member, that they ought to release us from the heavy military expenditure. We entirely share with

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them the view that India should be defended. We entirely agree that we should maintain a very efficient Army. At the same time they should sympathise with us that no country in the world can afford to pay 75 per cent. of her resources to the military expenditure, especially in times of peace. Maintain minimum Army necessary for defence in times of peace, have your Auxiliary and Territorial Forces ready to come to action in time of necessity, and by adopting this principle it will be quite possible to substantially reduce our military expenditure.

Mr. Arthur Moore (Bengal: European): Sir, two years ago I pleaded in this House for a radical redistribution of military expenditure and for a complete reconstruction of the relations between the Army and the air arm with a view to securing greater efficiency at less cost. My friend, Mr. Mackworth Young, was unable to give me any assurance that anything on those lines would be done in the following year, but he did say that when the re-equipment of the Air Force with higher powered machines and with a higher ceiling had taken place, and after the experimental introduction of some troop carriers, it was possible that the whole question of the adjustment of balance between the Army and the Air Forces would have to be considered by the experts. Well, I have no doubt that I shall be told today that at the present time there is a very important Committee of experts under Mr. Howell considering this very question. I welcome the appointment of that Committee, and I trust that it will lead to very important results, and it is for that reason and because that Committee is sitting that I cannot support my friend, Mr. Shah Nawaz, in his motion for a cut in military expenditure. I should like to support the Government, but in giving my vote I wish to make it clear that I consider the situation serious. Sir, it is the military expenditure that is breaking our backs, and I am not convinced that we are getting value for money. ("Hear, hear", from the Nationalist Benches.) The position is unsafe, and I believe that it could be made safe at less cost. Substantially it remains where it was two years ago. On the Army we are spending over 50 crores, which is more than what Great Britain is spending. On the Air Force we are spending a shade over 2 crores. Great Britain is spending on her Air Force alone,—apart from what she spends on her Naval Forces—over £18,000,000, in fact 23 crores. That is to say, in Great Britain they spend half as much on the Air Force as on the Army, and in India we spend approximately 1/25th. And, Sir, we maintain that extraordinary ratio, although we here in India are confronted by an Air Power which has a greater air arm than Great Britain. We have heard a good deal, and very justly so, of the remarkable performance in the evacuation of Kabul. But we do not hear so much of the salient military lesson of that evacuation, which was that in a time of peace India was unable to undertake that entirely peaceful operation, and that it had to be done for her by Iraq. I feel that we are too parochial in India. We think too much in terms of tribal war and too little in terms of modern war. We go on making the assumption that, if India became involved on her Northern frontiers with a great Power in a modern large scale war, there would elapse a considerable interval, while both sides were pushing forward their railways, before we should come to grips. But are we right in considering it in those terms? Is it not much more probable, is it not even certain

that the Power with an overwhelming air strength would wait for no such interval, but would, as rapidly as possible, establish a forward line of aerodromes and proceed with an air offensive against this country? We with our few squadrons would be entirely unable to imitate that example. They would be wanted for protective purposes; they would be completely useless for offensive purposes. And I would ask my Honourable friend, Mr. Mackworth Young, how in the existing situation he would propose to give this House any guarantee that, within a short period after the outbreak of war, Karachi and Lahore might not be bombed from the air? I do not myself know what a mere 80 aeroplanes could do against a possible 600 or 700.

Well, Sir, turning from that to the question of tribal war, I saw it stated last Summer that the Air Force had failed in regard to the tribes. I think that the more the facts of what really happened last Summer become known, the more clearly it emerges that the real failure is the failure to use the air arm as it should be used. In the case of the first raid upon Peshawar, the Air Force was not allowed to attack the assembled lashkar in tribal territory. The lashkar was unmolested till it had crossed over into British territory and was in the cultivated lands close to Peshawar where, as we know, the tribesmen were absolutely undistinguishable from the local inhabitants and could be dealt with successfully neither by aeroplanes nor by ground troops. The second raid was, I believe, due to the fact, again, that the Air Force was not allowed to carry out the policy of blockading villages from the air, which they have so successfully used in other parts of the world. It is possible for the Air Force to make a village beyond the Frontier, any particular village, uninhabitable and to make the villagers give security for good behaviour in order to be allowed to return to the village with security. Personally I feel quite convinced that, but for the Air Force, there might have been, instead of a merely local trouble, a real war along the whole length of the Frontier last Summer and I am also quite convinced that the reason why that local trouble died away was because the tribesmen at Jamrud were made to understand that in future, if they did not give this undertaking for good behaviour, they would be so treated.

Two years ago I took up the point of troop-carriers. All that we have got today is two or three machines, but if we had, say, even four squadrons of troop-carrying bombers, with a proper provision of landing grounds, it would be possible, within a radius of 500 miles in any direction, to move a whole battalion in four hours. Over shorter distances it would be possible to move two battalions in one day. Think what that means in terms of mobility. And alternatively, those troop carriers can carry bombs, they can transport ammunition, they can transport guns, and they can transport supplies. A single squadron could move a company, or it could transport 250 policemen. Aeroplanes cannot and ought not to be used offensively themselves for internal security purposes; but they can be used as a means of transport, and they can be used to diminish the number of ground troops that it is necessary to maintain. (Hear, hear.) Well, Sir, I feel that what has been done in Iraq, where the air arm is in command, and in Palestine, and Trans-Jordan and Aden, will finally have to be attempted here, if for no other reason, because of the increasing financial *impasse*.

[Mr. Arthur Moore.]

And what is the reason which makes it so difficult to get any advance here? Why is it that in these two years we seem to have made absolutely no alteration in the balance of expenditure? The truth must be that inevitably the Army becomes a vested interest, which quite instinctively and naturally seeks to protect itself. I have a great deal of sympathy with that, and I do feel that the disappearance of a famous regiment, or of any historic unit is a very real tragedy. But the public interest has got to come first, (Hear, hear), and I am not convinced that in every case it does. (Hear, hear.) In this country we ought to be in a better position than at Home, because we are fortunate here in having what I think they ought to have at Home, an embryo Ministry of Defence for the co-relation of the whole problem. The Commander-in-Chief here, the Military Member, is responsible not merely for the Army. He is responsible for the Navy and he is responsible for the Air Force. He ought to be in a position to balance the claims of all three. But the Commander-in-Chief is appointed by the Secretary of State for War solely on the advice of the Army. So long as that system continues, he will always be a soldier. He is naturally a very distinguished soldier, but every soldier inevitably is bound to become the champion of his own service, and I do feel that the Commander-in-Chief ought to be appointed by the Prime Minister in his capacity as Chairman of the Committee of Imperial Defence, which considers the whole problem in relation to the three arms, and not by his political subordinate in the Cabinet, the Secretary of State for War. If that were done, in time the Air Force would be given a turn; and then we should get some proper adjustment. I am very far from suggesting that the Air Force should in any way dominate the Army, or that in a measurable period of time it should monopolise the greater part of the estimate, but I do firmly believe that it would be possible, within a reasonable period of years, with far greater efficiency to get down to a peace figure in the neighbourhood of 40 crores. I think it would certainly be possible gradually to save a division and also a number of the battalions now strung out along the Frontier between Baluchistan and Chitral. The opportunity of the Air Force only came in Iraq because of the accident that, for a short time, Mr. Churchill held the portfolios of War as well as of the Air, simultaneously. It was at that time that he had the opportunity of studying the whole question, and it was he who put through the air command in Iraq. The saving was colossal, so colossal that in Trans-Jordan, Palestine and Aden the example has been followed. I am not suggesting that India can ever be garrisoned and protected in precisely the same way, but there is a great deal to be done, and the subject has hitherto not been treated whole-heartedly. I look forward hopefully to the labours of the Committee now sitting.

Mr. G. M. Young: I propose, Sir, to deal in my speech, firstly with the question of expenditure, secondly, with that of Indianisation
 3 P. M. and the kindred questions arising out of it, and lastly, with a few miscellaneous questions which have arisen in the course of this debate. My Honourable friend, the Mover of this Resolution, based his attack upon military expenditure upon the recommendations of the Indian Retrenchment Committee, and he repeated the old, old misstatement, if I may so call

it, that that Committee made an unqualified recommendation for the reduction of military expenditure to a figure of 50 crores. He seemed to assume also that there had been no reduction in military expenditure in the last few years. Now, Sir, the front page of the Explanatory Memorandum of the Financial Adviser, which has been issued to all Honourable Members, gives a true picture of the position. I do not think that any one who reads the statistics on that page and the explanatory paragraph following it, can consider himself justified in talking as if there had been no such thing as a reduction in military expenditure. It is quite true that we have had the advantage of the exchange. At the time that the Inchcape Committee made its recommendations, the rupee stood at 16d. and the effect of the stabilisation of the rupee ratio at 18d. has been beneficial to us in our sterling charges. Our sterling charges may be taken roughly at about £9½ million a year. In 1930-31, they were £9,401,000. If we had had to pay those charges at the rate at which the rupee stood in 1923-24, the year in which effect began to be given to the Inchcape Committee's recommendations we should have had to spend 13.70 or 71 crores. As it is, if you take the ratio which prevailed in 1931, the figure is 12.69 crores, so that roughly we have a saving of a crore a year on exchange on our present rate of sterling charges. The Inchcape figure should therefore be taken at 56 rather than 57 crores. One has only to look at this Memorandum to realise how far below 56 crores we have already got. The Inchcape Committee, it is true, made a further recommendation—that, should there be a further fall in prices, they considered that the Government of India should not rest content with the budget of 57 crores, but should be able gradually to reduce it to 50 crores. Last year we had the fall in prices to which the Inchcape Committee looked forward: and, as far as we can estimate, it gave us a benefit to the extent of 64 or 65 lakhs only. Even if we allowed for this benefit, it would not bring the Inchcape figure down to our actual expenditure which is far below 55.35 crores. My Honourable friend challenged me to produce an instance of any other country which spends so much on its military estimates as this country.

Mian Muhammad Shah Nawaz: As compared with income. Please remember that.

Mr. G. M. Young: I did not hear my Honourable friend saying that. He simply challenged me to quote the instance of any country which spends as much as India on its military estimates. I did give figures last year of other countries, which showed that most of the great powers had immensely increased their military expenditure in the last few years, while the military expenditure of India had steadily declined during the same period. For instance, in France, the military expenditure in 1922-23 was £39 millions, and in 1929 it was £64.6 millions. In the United States the figure of army expenditure rose from £51.7 millions in 1923 to £61.7 millions in 1929-30.

Diwan Bahadur T. Rangachariar: May I know what is the income per head of population of the United States?

Mr. G. M. Young: I am merely pointing out that the expenditure has risen so much.

Mr. Muhammad Yamin Khan: Did exchange have any effect?

Mr. G. M. Young: Then in Russia—and this is perhaps the most instructive of all—the military expenditure in 1925 was £41·7 millions, and is now £84 millions. Now, Sir, we have reduced our military expenditure this year by a sum of 1 crore 70 lakhs. That saving is made up in this way. 57 lakhs represents the reduction of the stabilised Budget figure to 58·63 crores, in return for which the contract—as one may call it—has been extended by a further year. We estimate a saving owing to the fall in prices of another 63 lakhs. Then we have, by economies and curtailment of the re-equipment programme to some extent, realized another 50 lakhs; and the remaining 10 lakhs is represented by a curtailment of our barrack-building programme.

An Honourable Member: Does all this mean any real retrenchment?

Mr. G. M. Young: This figure of 1 crore 70 lakhs would have been still higher but for one other circumstance. During the past year the expenditure from military estimates in connection with the civil disobedience movement, and disturbances on the Frontier closely related to that movement, amounted to no less than Rs. 71·5 lakhs. If we had not had to incur that expenditure, we should either have been able to reduce the level of our military expenditure this year, by that amount, to well below Rs. 52 crores; or—what would probably have been more economical—we should have been able to devote that sum to pressing on with the completion of the re-equipment programme, and thereby would have saved the necessity of extending the present period of a stabilized Budget by another year.

I now turn to some of the individual criticisms made on military expenditure. My Honourable friend, the Mover, asked me why we did not reduce our battalions by 154 men, as had been recommended by the Inchcape Committee. My Honourable friend, Dr. Ziauddin Ahmad, referred to what I said about that last year. I will not weary the House by repeating that in full now. I said that there had been an immediate reduction of 64 men, and that subsequently there had been a further reduction, and that the total reduction had come to 98 men. I added that that was the farthest limit to which, in the opinion of the military authorities at the present time, it would be wise to reduce the battalion from a tactical point of view. The major reduction advocated by the Inchcape Committee was very carefully considered, and, as a result, the Government eventually decided, on the advice of its military advisers, that the reduction to 98 men was all that it was possible or wise to make.

Dr. Ziauddin Ahmad: You did not then agree with the recommendation of the Inchcape Committee?

Mr. President: Order, order. Mr. Young.

Mr. G. M. Young: To that extent, Sir, we did not agree with the recommendation of the Inchcape Committee. My Honourable friend then mentioned the subject of the reduction of the number of British troops. That subject is one which has been raised, as Honourable Members are aware, in connection with the Round Table Conference, and of course will be considered in that connection by His Majesty's Government. My Honourable friend also inquired to what extent the covering troops could be reduced as a result of the pacification of the frontier; and my Honourable friend, Mr. Arthur Moore, who spoke last, also referred to this subject in connection with the use of the air arm on the Frontier. It is of course impossible for me to follow my Honourable friend Mr. Arthur Moore, into all those

strategical questions which he raised about the use of the air arm in the defence of the Frontier and also in war. But I must remind the House that the Committee, to which my Honourable friend referred, is still sitting, and that it is considering the whole question of the control and the disposition of forces on the Frontier. The question of the extent to which the air arm can be substituted for the military arm is one which requires very high expert knowledge and very careful consideration. It is also one which is never lost sight of. But it is not one which I think can very profitably be debated in an Assembly such as this. My Honourable friend, Mr. Mudaliar, made several very trenchant criticisms on items which appeared to be claimed by us as items of retrenchment, but which is thought really involved no retrenchment or economy at all. He devoted some time to the question of surplus stocks. Now surplus stocks are of two kinds. There are surpluses which become apparent on stock-taking in arsenals and which are due to a change of pattern of equipment, or which from some other cause have become obsolete. The second kind of surpluses are those which are created by an economy in the use of stores. Now, Sir, I admit that many of the surpluses of the former character, which have become available, were due to faulty provision in the past, especially in the years immediately succeeding the war but I would not admit that they were all due to that cause. It stands to reason that if you are prepared to go to war, you must maintain a large number of lethal and other stores which, if there is no war, become obsolete and which have to be replaced without having been used. The comparison which my Honourable friend makes with business firms in this respect is not altogether accurate or applicable. The second kind of surpluses which are created by an economy in the use of stores is one for which the Army has every right, I think, to take credit. It simply means a very careful, a stringently careful, management of their stores. My Honourable friend also complained that the stabilized budget gives the military authorities an absolutely free hand and that there is no control by the Finance Department. Well, Sir, that betrays, if I may say so, a misconception of this arrangement of a stabilized Budget. The Army have no more free hand in that sense than they had before; but in order to carry out a certain re-equipment programme, they are permitted to retain their savings and to carry them over from the year in which they accrue, towards the completion of the programme in subsequent years. The programme itself has been scrutinised and approved by the Finance Department: every item in it has been so approved. What happens in respect of our savings is that we are allowed, without further question, to apply them to approved items in the programme. But every item involving expenditure or a change of policy or any other feature which would require financial approval, has to get that financial approval just the same as if there had been no stabilised budget at all. The scrutiny applied to military expenditure under this system is considerably closer than was applied before the system came into force, because it is not only applied by the Finance Department, but is applied by the higher military authorities themselves.

Diwan Bahadur A. Ramaswami Mudaliar: My point about the stabilised Budget was not that I suggested that money could be expended in any way they pleased but that over-estimates were the order of the day in the Military Department. Will the Honourable the Army Secretary explain how, if the scrutiny is so much closer, in several pages of the Budget it is admitted that over-estimates have been made.

Mr. G. M. Young: I was talking of scrutiny of actual expenditure—of the nature of things on which expenditure is sanctioned. That is to say, the military authorities have not a free hand to spend money as they like. They have not got the power to choose, uncontrolled, on what they are going to spend their money. Every item on which they spend their money, is an item that is settled in the approved programme, or if it is not, it is one for which they have to get the sanction in the ordinary way. My Honourable friend also said that there was the usual rush of expenditure in March. I do not know if he raised the criticism on anything that he has observed in the military estimates.

Diwan Bahadur A. Ramaswami Mudaliar: My criticism is based on what I have seen in the Public Accounts Committee's Report and in the Military Accounts Committee's Report.

Mr. G. M. Young: I can only say that, although there is undoubtedly a natural tendency to spend more money in the latter half of the year, it stands to reason that, with the stabilised budget system, in which you can carry your own savings over from one year to another, there is, at any rate, no temptation to spend money in March.

Diwan Bahadur A. Ramaswami Mudaliar: I would refer my friend to paragraph 56 of the Military Accounts Committee's Report where it is said:

"As regards the rush of expenditure in March, Colonel Gaskell explained to the Committee that steps had been taken to secure an earlier intimation of allotments for new works to the officers concerned and earlier preparation of estimates, so that expenditure would be spread more evenly over the different months of the year."

Mr. G. M. Young: I cannot deny, then, that there was a rush of expenditure in March but I do repeat that there is no temptation, which the stabilised budget, to rush through expenditure in March, for the simple reason that military authorities are at liberty to spend it if they so wish in April or May.

An Honourable Member: So, without any temptation, the expenditure has been incurred.

Mr. G. M. Young: My Honourable friend had a good deal to say about the Territorial Force. He drew attention to the Territorial Force as an item on which the military authorities were not anxious to spend money and on which they were only too ready to retrench. It is true, Sir, that a grant of 5 lakhs to the Territorial Force was not spent, and was carried over to the military reserve. But it was carried over, I can assure my Honourable friends, to the military reserve earmarked for expenditure on Territorial Forces expansion. That is to say, it did not go into the general military coffers. It is still earmarked for the expansion of the Territorial Forces. Another point is that this amount was taken from the extra grant. It belongs to the extra grant, and not to the normal grant for the Territorial Forces. So there was no question of actually reducing the expenditure on the Territorial Forces.

My Honourable friend then quoted as an instance that he had heard that all the rifles have been taken away from the University Training Corps. That is a very interesting question. About three years ago my

Honourable friend, Pandit Hirday Nath Kunzru, who, I am sorry to say, is no longer with us, drew attention to the fact that the University Training Corps in the United Provinces were supplied with drill purposes rifles instead of service rifles. It was perfectly true that the battalion in the United Provinces, as also a detachment at Lyallpur in the Punjab and a detachment at Patna, had these drill purposes rifles instead of service rifles. The Honourable Member, who drew attention to this, suggested that it was very unfortunate that these students were not trusted with service rifles. I gave an undertaking that I would see what could be done about it. I said that I thought it was due almost entirely to the difficulties of custody, and that if the University authorities could make proper arrangements for their custody and so on, we should be only too glad to give them service rifles. It took a long time to make the proper arrangements for the custody of these rifles. It was about two years ago that we were able to supply these detachments of the various Universities of the United Provinces with service rifles. Almost as soon as we had done this, they asked to get back their drill purposes rifles. They found that the care of the service rifles, and the responsibility attached to it, together with the trouble and inconvenience of having these special custody arrangements, were really not worth while. Some of them had to keep their rifles stored a long way off in the nearest military armoury; others had to build armouries for themselves, because there was no military armoury in which they could be kept. So the University authorities applied to us to have these drill purposes rifles restored: and on that we consulted the Local Governments and the various University Training Corps on the question whether they would also prefer to have these drill purposes rifles. They all did. Every battalion is now to have a sufficiency of service rifles to enable it to do its musketry courses, and for the rest they will have drill purposes rifles. That is the history of the equipment of the University Training Corps with drill purposes rifles. When my Honourable friend quotes that as an incident of economy, I am afraid he is under exactly the wrong impression, because it will cost us a certain amount—not very much—to convert a number of service rifles into drill purposes rifles, in order to issue them to the University Training Corps.

My Honourable friend also complained that previous service in the Territorial Force does not count for eligibility for a Commission in the Indian Army Reserve of Officers. That question is at this moment under consideration. It is perfectly true that it does not count at present.

I will now turn to the general question of Indianisation. I think, having regard to the recommendations of the Sub-Committee of the Round Table Conference, and the fact that these recommendations have been immediately accepted both by His Majesty's Government and the Government of India, and that His Excellency the Commander-in-Chief, in a recent speech, indicated that we were losing no time whatever in giving effect to their recommendations, my Honourable friend the Mover of this Resolution should not have thought it necessary to go back so far into the past as he has done.

Mian Muhammad Shah Nawaz: I was not going into the past; I am talking of the present. What are you going to do before the new constitution is set up?

Mr. G. M. Young: My Honourable friend referred to it. I do not propose to follow my Honourable friend into the various recommendations of the Shea Committee and the Indian Military Requirements Committee. But I think it is due to the House that I should give them some short account of the circumstances in which these Committees were convened, because there is still a great deal of misapprehension about that; the misapprehension arising from the natural fact that one of those Reports is still a secret document. In 1921, in the first Legislative Assembly, the Government of India accepted a Resolution that 25 per cent. of the vacancies, I mean officers' vacancies, in the Indian Army should be thrown open to Indians. That recommendation was not accepted by His Majesty's Government. Later on in the year, the Indian Military Requirements Committee was convened. The function of that Committee was not Indianisation at all. It was a Committee that was called together to offer advice and make recommendations on the strength and the cost of the Army, and in fact, as its name implied, it was a Committee to advise the Government of India what were its military requirements. Now, Indianisation was no part of the terms of reference of that Committee: and the Committee recognised that fact. But the matter, they said, was so important that they did make certain recommendations about Indianisation. But they prepared no detailed scheme at all. A detailed scheme was prepared by the Committee of Military Advisers under the presidency of General Sir John Shea, which was convened immediately after the Military Requirements Committee, and was set up by Lord Rawlinson in order to prepare a detailed scheme. That is the scheme that has been laid upon the table of the House. The Military Requirements Committee, the majority of whom were Indians, made a very strong and unanimous recommendation that in no circumstances whatever should, either the Report, or the evidence of the witnesses that came before them, ever be made public. That is why the Government have never published the recommendations of the Indian Military Requirements Committee.

Diwan Bahadur A. Ramaswami Mudaliar: May I ask the Army Secretary whether that recommendation referred to the portion relating to Indianisation or whether it only related to that portion which dealt with the military requirements, where questions referring to military matters had naturally to be considered confidential?

Mr. G. M. Young: The recommendation referred to the whole Report, without any qualification whatever. They said that in no circumstances whatever should either the Report or the evidence tendered before them, be published.

Sir Cowasji Jehangir: Will the Honourable Member tell the House . . .

Mr. President: Order, order.

Sir Cowasji Jehangir: Did the Government of India accept those recommendations?

Mr. President: Order, order. The Honourable Member must be allowed to proceed.

Mr. G. M. Young: Every one knows the recommendations of the Shea Committee. That was the one Committee appointed to prepare detailed schemes for Indianisation. They were not accepted; they were rejected as I have said already in answer to a question the other day, by His Majesty's Government: and that is the reason why they were not published at that time.

But, Sir, the history of Indianisation really dates from the decisions of Government on the Report of the Indian Sandhurst Committee. Those decisions were taken in 1928. They involved the acceptance of the initial increase of vacancies to be thrown open to Indians recommended by the Committee. The number of vacancies was increased from 10 to 20, to which the Government of India also added five vacancies to be given to Viceroy's Commissioned Officers. That decision caused discontent at the time, because the Government of India did not accept the further recommendation of the Skeen Committee for an automatic increase of vacancies for a number of years right up to 1952. What the Government of India said at the time was, that they would make this initial increase, and then they would wait and see whether more candidates were forthcoming of the requisite standard, before they considered a further move. The first examination, after this new system came into force, was in the Autumn of 1928. The vacancies on that occasion were not all filled, nor were they all filled at the subsequent examination in the Summer of 1929. In the Autumn of 1929, all the ten vacancies were filled and for the first time there were candidates who qualified and did not actually get in; in fact there was competition among qualified persons, for the first time, for entry into the Indian Army. That, obviously, was an event of some importance. It showed that we were now beginning to get something like competition for entry into the Indian Army; and it is upon that that the Government of India at once began to consider what their next step should be. In the following Summer, we had ten vacancies filled again, but there were no persons who qualified, but did not pass: and in the last examination, the results of which came out at the end of January, the same thing happened, that is, ten got in, so that now, we have had for 18 months all the vacancies that we offered to Sandhurst filled by Indian candidates.

Mr. B. V. Jadhav: What about the remaining five from the rank of the Viceroy's Commissioned Officers?

Mr. G. M. Young: There are at this moment two Viceroy's Commissioned Officers at Sandhurst. A Viceroy's Commissioned Officer has the difficulty of age. At present we have very few Viceroy's Commissioned Officers who are of the requisite standard of education and age. At present we can only get them from 27 to 29 years of age. As I said just now, during the last 18 months, we have had three examinations in which we obtained the full number of candidates; and we may say, now at any rate, that we have symptoms of a steady flow, not an overwhelming, but a steady flow of Indian candidates for the King's Commission. After those three examinations, His Majesty's Government and the Government of India accepted the principle of an immediate and substantial increase in Indianisation. I do not think that it can be said that we have unduly delayed matters, or that we have proceeded really substantially slower than what has been recommended by the Indian Sandhurst Committee. The

[Mr. G. M. Young.]

Same thing applies to the establishment of the Indian Military College. Speaking in this House on the 10th March, 1928, immediately after the decisions on the Indian Sandhurst Committee's Report were announced, I said :

"The Committee laid down 1933 as the year for the inauguration of the Indian Sandhurst, because, according to their time table, by that time you would get, and be assured of, a steady flow of Indian candidates of suitable quality who would be, on the one hand, more than Sandhurst could accommodate, and on the other hand, sufficient to establish an Indian Military College, all this being of course subject, as they have said themselves several times over, to efficiency at every stage. Sir, we absolutely agree with them. All we say is that we do not know that that is going to happen in 1933. But, Sir, whenever it does happen this Report which Honourable Members insist on saying that His Majesty's Government and the Government of India have turned down, will be then, as now, the basis of our own immediate and constructive proposals."

Well, Sir, we are now in 1931, and the Indian Military College, if it is not an established fact in 1933, will be an established fact in 1932. When I was speaking on this subject last year, I said that Honourable Members could hardly accuse us of not having carried out these recommendations of the Indian Sandhurst Committee until 1933; and I was then told that it would be quite impossible to build such a college in the time that was left. The same criticism has been made in the course of the debate today. It was also made in another place the other day. The difficulty of building was said to be insuperable. Now there is no particular difficulty about building. We have always contemplated the possibility that we might have to take a decision to establish an Indian Military College, before we had full time to lay out the new buildings required. It is quite easy to find a temporary home for the Indian Military College while buildings are being erected. That is exactly what happened in the case of the Staff College at Quetta. When it was first inaugurated, that College was begun before the buildings were ready. The students and staff were accommodated temporarily in buildings at Deolali. There is no practical difficulty arising out of that.

My Honourable friend, Mr. Mudaliar, made several inquiries about this Committee, and drew a picture of Army Headquarters being thrown into a great state of confusion by the fact that it was called an expert committee. We knew that the intention was that this committee should include non-officials, but the word expert, generally means a professional expert—not necessarily a military expert. We assumed that this committee would contain, besides military experts, a financial expert and educational experts, not necessarily in Government service, but professional experts. We never supposed for one moment that it was the intention that the whole of the committee should consist of military experts: and that is not the intention of His Majesty's Government either. But we did want to make sure what was meant: and so we telegraphed Home and got from the Secretary of State a definition of what he meant by an expert.

There is only one other point to which I wish to allude and that was raised by my Honourable friend, Mr. Jagan Nath Aggarwal, on the subject of cantonments. He spoke of the section under which Commanding Officers are enabled, at their own discretion, to expel from cantonments any persons whose presence in cantonments they think for one reason or another is undesirable. He referred to an old section of the Cantonment Code which is no longer operative; but there is a corresponding section

in the present Cantonments Act, section 239, under which a number of persons have recently been expelled from cantonments. He asked me whether we were prepared to inquire into these cases. We have called for all the cases that are at present outstanding. As to those before 1930, I think I am right in saying that we have seen them all. Of those who have been expelled from cantonments in connection with the civil disobedience movement, we have not got all the figures, but we know of those who were expelled from the Ambala, Poona and Kirkee cantonments. I believe that there is not a very large number of these persons altogether. In any case, as an immediate consequence of the settlement which was reached last week, we telegraphed to the military authorities, and repeated the telegrams to Local Governments, saying that all persons against whom such orders had been passed in connection with the civil disobedience movement were to be allowed unconditionally to return to cantonments. So that matter is already over.

I do not think, Sir, that I have anything more to say.

Mr. Muhammad Yamin Khan: Sir, in 1923 I moved a Resolution to this effect:

"This Assembly recommends to His Excellency the Governor General in Council to be pleased to get the King's Commission for Indians by direct recruitment and by promotion from the ranks of the Viceroy's Commissioned officers in such number that all vacancies in the Indian regiments be in future filled by such Indian officers only till all Indian regiments are wholly Indianised."

This Resolution was moved on the 24th January and on that day, in the afternoon, the late Lord Rawlinson, the then Commander-in-Chief, came out and made a speech, a few paragraphs of which I will read to this House. He said:

"The circumstances have so far not made it possible to make a definite announcement with regard to the matter or to state the measures that are in contemplation in order to secure the object which the Honourable Mover has in view. It is hoped, however, that it will be possible to make an announcement at no very distant date when the correspondence which is still proceeding between the Government of India and the Secretary of State has been concluded. In these circumstances it will be clear that it would not be open to Government to accept the Resolution as it stands, since they cannot prejudge the matter which is still under discussion. On the other hand the Resolution is not unwelcome since it gives me an opportunity of placing before the House some at any rate of the principles on which a decision must ultimately depend, and also of stating in their proper relation the measures which the Government have already undertaken to grant His Majesty's commission to Indians."

He further on said:

"I should not be doing justice to any one, least of all to the representatives of the people of India, if I did not at the very least pay this tribute to the order which the Resolution of my Honourable friend apparently seeks to change. Now, it would be idle to ignore on the other hand the desire for change that comes very naturally with changing times, and I can readily understand that as the people of India claim increasing independence they should also claim increasing opportunities to fit themselves for self-defence. A desire that the Indian Army should be Indianised follows as a natural consequence and Government, as I have already said, have for a considerable time recognised that a demand of this kind is inevitable, and they have spent much time and pains in investigating the best means of assisting the people of India to realise their ambition without at the same time sacrificing even for a time the traditional efficiency of the Indian Army."

Now, Sir, he went on to pay a tribute to the Indian Army at great length and he supported me on that point. I want to know what has been done since then. Then, Sir, after the 24th January, this debate

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was adjourned till the 17th February, and on the 17th February His Excellency comes and announces the eight-unit scheme. He was the first speaker on the Resolution on the next day and he announced this. This took the House by surprise and quite naturally people, who had not properly thought over this matter and what this eight-unit scheme would be, were lured into the trap, and the result was the unfortunate one that, whereas in the morning I had about 60 or 70 Members on my side who were going to vote with me, in the afternoon after this announcement, I got, as I find from the division list, only 22 Members voting with me and 42 on the other side, the rest remaining neutral. I was asked to withdraw my Resolution, but I did not withdraw it and I pressed it to a division. I wanted to justify it at some future day and I stand today justified in asking for a division on my Resolution at that time. I have found that these eight units are treated like the depressed classes. If you go and ask the officers of these regiments, they will tell you tales about the treatment which they are receiving in their Department. It was never my intention that there should be a class created who would be treated later on as untouchables and as something different from other units. My scheme at that time, which Lord Rawlinson supported, was that with the change of times there must necessarily come these demands from Indians that they should have an increasing share and proportion in the Army. I ask, during these eight years has that number increased to any considerable extent? I put this question to the Treasury Benches. What more changes have taken place? You say you have Indianised eight units. Out of how many? When Lord Rawlinson finished his speech on that occasion, I asked him, "Out of how many units are these eight units going to be Indianised"? He said there were altogether 120 infantry and pioneers and 21 cavalry Indian regiments: and out of these eight units were to be picked out—and all of them infantry with a little proportion for the cavalry as he said at the time. This means that out of 141 units 8 units were selected, where they were going to put these Indian officers who were picked out from all the units together. This was not the object—that the officers should be picked out from all the different units and posted to these eight units, the object was that the officers for these eight units should be created among the eight units themselves. This has caused a good deal of grievance in the military classes; and if the Military Department cares to know their feeling they will be very well advised to know what kind of feeling is prevailing now in the Army. It is very easy to say here that people will not like those officers whom they cannot trust and who cannot lead them when it is a question of life and death. But do you ask if your military officers and your Army are well satisfied or are not satisfied with you? The days of the East India Company are gone and you must change now. This Army was created by the East India Company, and you are still pursuing the same policy today which was pursued before 1857. The Indian Viceroy's Commissioned Officer wants to know what are the prospects before him. In the civil side you have got prospects for everybody. An Indian can become a Governor, even though it may be of Bihar and Orissa. (Laughter.)

Mr. Gaya Prasad Singh: What about Bihar and Orissa?

Mr. Muhammad Yamin Khan: But in the military, a man can never rise beyond a Lieutenant-Colonel. How many have you got as Colonels

in these eight units today? Is there any full Colonel? Have you got any General after these sixty years' administration? Have there never existed in India Generals and Colonels who have led armies in the whole of India? The Mahrattas had them and the Sikhs had them.

An Honourable Member: Also the Rajputs.

Mr. Muhammad Yamin Khan: Yes, and the Rajputs from whom my Honourable friend and another Honourable friend come and of which community they are the flowers here. (Laughter.) Do they not want a career open to them where they can shine just as their forefathers shone in the past? They have had a glorious past and they want to tread in their footsteps today and you are shutting them out for ever. You say "No," you cannot rise beyond a Risaldar-Major; and if you come up we will make you an Honorary Captain when you are on the verge of retirement." You keep this as a title with you and you give it as a great honour although it will bring no fruits whatsoever. (Laughter.) This is what you tell your Army today, the Army which has fought for you, which has stood by you in your worst times, which has guarded your frontiers for you, which has guarded your business for you and guarded your lives. What are you doing for them? Is it not an open secret that the Indian regiments went to Flanders, Mesopotamia and various other places during the war where they shone? There have been Indian officers who have led even the British Army in France, and we have got one of those examples even in our Indian Legislature. Everybody knows Nawab Sir Muhammad Akbar Khan, who led the British troops in France when there was no other officer of higher rank. (Opposition Cheers.) Was it not the Hyderabad contingent which went to Egypt and Palestine and Flanders? Did not the Indians go to Mesopotamia, and have they not shown how well they could acquit themselves? And now you refuse the very same people, the people who could produce such fine soldiers. Can they not produce equally good officers? If they can produce very good Viceroy's Commissioned Officers, what is the reason for saying that they cannot produce equally good King's Commissioned Officers? Is there any reasoning in it? You simply say they are not properly educated. Whose fault is it? If you have got good Viceroy's Commissioned Officers in those regiments, certainly the same people can become very good and very efficient King's Commissioned Officers if you properly train them and if you give them an opportunity to train themselves. How much money have you spent on their children? A poor officer who gets about Rs. 200 a month cannot put his child in Dehra Dun, where the expenditure comes to more than Rs. 100 a month; and you blame this officer that he does not send his son or sons. If he has got two sons, then his whole income is gone. A Jemadar gets little, but a Risaldar gets about Rs. 200 a month only on which he has to live and keep his family going and he wants to send his son or sons to be trained there and follow the profession of his forefathers; but you make it hard for him because the expenditure in Dehra Dun will not be less than Rs. 100. This man can never think of sending two sons to Dehra Dun to take up his own profession. You shut them out in every possible way.

It is preposterous to suggest that Indians are not fit today to take up their proper share in the Army as officers. I would point out, Sir, that to suggest that the people who fought the deadliest battles and whose horses trampled every inch of the soil of India are not fit to become soldiers or officers in the Army is to cast a slur on the military classes in

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India. These people resent that suggestion. When you have created large openings for the merchant classes, for lawyers, for civilians and for everybody else, you have still closed the doors for the martial classes in the Army. You do not allow Indians to take a legitimate share in the Army, although they have defended and still defend the borders of India as well as the Indian shores. You might have followed this unjust policy hitherto, but today, Sir, with the new policy which you are introducing, if you do not change your old policy of shutting Indians from getting their right and legitimate share on the posts in the Army, the result will be that every British officer in the Indian regiments will be hated by his own people; he will never be tolerated after some time. It is high time that you make a proper beginning. In those days there were many things in your gift: in the good old days a British officer in the Army could keep control over his regiments not on account of his personality, but on account of many things which he had behind him. He could then offer many temptations over which he had command, but these things are passing out of your hands. You will not have any squares of land to give to the soldiers. You will not have many things in your hands. Even a letter which was supposed to be a good recommendation from a military officer to civilian officers to provide a job for an Indian soldier's son with a sub-Registrar's job or any other post like that, will not be valued in future. All such patronage and power will get out of your hands, and when the British officers fail to satisfy the soldiers under them on these things, the result will be quite different. The soldiers will not care for their officers. They will say, "Look here Sahib, times were when we used to fight for you, but since you cannot help us, you cannot expect us to help you". Remember, Sir, that power is fast getting out of the British hands, and the power which united the soldiers and their officers will no longer exist, and an Indian soldier will soon find that he is a poor soldier who is neither helped by the British officer nor by the Indian Ministry which will be sitting over there. He will never receive the same consideration at the hands of the Indian Ministry which will come into being (*An Honourable Member*: "Why not?") because he is not chosen by them. He will be a man belonging to a different body which might be working from 8,000 miles away, and the criticism which will be directed against the Indian soldier will make him think twice before he will be loyal to you. So that, as I said, the time has come when you must change your ideas and opinions about the capacity of Indians; you must also change your policy, and the sooner it is done the better. I know that Government sometimes do things when the most favourable moment has passed away. They do not do the right thing at the right moment. They wait for agitations and more agitation, and then they yield, but they yield much larger than and with no grace. If you change your present policy, if you want to keep up the loyalty of your soldiers and your Army, if you want them to remain loyal to you as they have been for such a long time, you must give them proper encouragement, you must throw open all the higher posts in the Army from which they are now debarred, because once our Army begins to get dissatisfied, there is great danger. Do not let the past history vanish: do not let the soldiers think that you have no regard for them, but make them feel that their interests are as dear to your hearts as the interests of the civilians, that while you improve the civil administration in India you are also ready and willing to give the Indian soldiers their proper

share in the military administration. Sir, it is high time that you changed your policy. I suggest that you should give all the vacancies in the Indian regiments in future to Indian boys only. I don't say that you must create Generals or Captains at once, but you can certainly make them Second Lieutenants. If there are 141 regiments, is it right to say that this country with a total population of 37 crores could not produce 141 Indian boys every year to take up the post of Second Lieutenant in each regiment? Can the Government convince us on that point? If you can, and if this House is convinced about it, then all I can say is that this House is not worthy of being represented at the Round Table Conference. You do not deserve to be in the Indian Legislature, because a people which cannot produce 141 Indian boys for the officer ranks of the army out of a total population of 37 crores does not deserve any form of representative institutions

Nawab Sir Sahibzada Abdul Qaiyum (Nominated: Non-official): Do you mean officers should be recruited from the soldier classes or from any other class?

4 P.M.

Mr. Muhammad Yamin Khan: From the soldier classes, because people from these classes came in large numbers during the war as recruits ready to die for the sake of the country, for the sake of the King, without even ever having seen the King or without ever having known what benefits he would bring to the country on account of risking their lives, and when you shut out these boys from their just and legitimate aspirations in the Army, will they not have enough grievances against you?

Nawab Sir Sahibzada Abdul Qaiyum: I think the selection should be confined to the martial classes.

• **Mr. Muhammad Yamin Khan:** I know it is difficult for any class to claim only the officers rank in the Army which does not supply soldiers. The class which can never supply a soldier, can never hope to supply officers. I would welcome every class in the Army. Even the Bengalis supplied a large number of recruits in the last war, and I would certainly have them first as soldiers. (*An Honourable Member from Bengal:* "Bengal will answer.")

• **Mr. President:** Let the Honourable Member proceed. Time is getting on.

Mr. Muhammad Yamin Khan: It may be said, Sir, in some quarters that at present we do not want the Baboo class. Let there be no Baboo class, but there is a martial class

Kumar Gupteshwar Prasad Singh (*Gaya cum Monghyr: Non-Muhamadan*): May I know whom does the Honourable Member refer to by the "Baboo class"?

An Honourable Member: He means the educated classes.

Mr. Muhammad Yamin Khan: Sir, it is the martial classes today who are supplying recruits in large numbers, and they deserve to be taken up in the Army. My friend over there wants to know whom I meant by the term "Baboo class". I may tell him that it is not I who use that term, but the military authorities themselves use that term.

An Honourable Member: They use the term for every Member of the House.

Mr. Muhammad Yamin Khan: Now, Sir, as I said, the present policy which you are pursuing must be changed. This question affects us in two ways. You are keeping the Viceroy's Commissioned Officers and also you are giving the King's Commissions. This is a novel thing which is not known anywhere else. In all other countries you have got only one class of commissioned officers, whereas you have got two classes of commissioned officers. What do these poor Viceroy's Commissioned Officers do? They merely help the King's Commissioned Officers. Another anomaly which exists is this. If there is a King's Commissioned Officer with only two years' service, he is made to take command in preference to a Risaldar-Major, who might have been in the Army for about 30 years, and who knows each and everything about his Army; but unfortunately this young boy, who has had the good fortune to get a King's Commission, and who had only about two years' service, is made to take command of the regiment over the head of this experienced officer. Now, Sir, this is the way in which you are treating your Army and your officers in the Army. Don't you know that they feel it today

Mr. President: The Honourable Member should address the Chair.

Mr. Muhammad Yamin Khan: Those grievances have to be removed very soon and it is on account of that that I am supporting this motion.

Mr. B. V. Jadhav (Bombay Central Division: Non-Muhammadan Rural): Sir, the previous speakers have traversed much of the ground covering the motion moved by my Honourable friend, Mian Muhammad Shah Nawaz, and I need not take up the time of the House in going over the same matter again. We also have had the advantage of listening to the defence of the Army by the Honourable the Army Secretary, and we have seen what sort of a defence it was. We all appreciate the strength, the discipline and the prowess of our Army and we are all proud of it, and I do not think that the Army needed any defence from the Honourable the Army Secretary—at all events, it did not want such a defence.

As for retrenchment, I shall refer to only one point. Rs. 2 crores and odd were paid for Block No. 8 near Colaba in the town of Bombay. I do not know whether any supplementary grant was asked from this House, or whether that amount was paid out of the contract grant for the Army. If a supplementary grant was asked for, that amount of Rs. 2 crores and odd is over and above the contract grant of Rs. 54 crores and odd. In that case I submit the Army Department should repay that amount to the general revenues, and they cannot take any credit for the retrenchment of Rs. one crore and seventy lakhs and ask for their pound of flesh by insisting upon the extension of the contract period by one year. To say that the contract period is to be extended by one year more for the sake of this retrenchment, means that the Army is insistent upon exacting its pound of flesh and will not allow the general revenues to benefit from any economies that might be effected under the retrenchment scheme of Lord Inchcape. I may also say that the total expenditure on the Army is not the amount of Rs. 54 crores and odd. The construction of the strategic railways and the losses incurred on their working ought to be added to the total expenditure on the Army. If that is taken into account, I think the whole cost may amount to considerably over Rs. 57 or 58 crores.

The Honourable the Army Secretary has assured this House that the military college will be opened in 1932 instead of in 1933 as recommended by the Skeen Committee

Mr. G. M. Young: On a point of explanation, Sir, I said, if it was not in 1933, it would be in 1932.

Mr. B. V. Jadhav: In what year was it to be opened according to the recommendation of the Skeen Committee? (*An Honourable Member:* "1933.") That is what I am going to say, that the Indian Sandhurst College would be opened in 1932 instead of in 1933 as recommended by the Skeen Committee. The Honourable Member well knows that, had the Government of India accepted that recommendation, then nobody would have insisted that it should be opened earlier than 1933. But England is always noted for doing things late, and sometimes she has to pay a very heavy price. The Government in Britain and Mr. Thomas, the Chairman of the Defence Sub-Committee, plainly saw that the members of the Round Table Conference were in no mood to hear anything about the late opening of the military college, and the Ministry had to come to a very quick decision and promised an early opening of the military college.

Much has been said about the persons who should be admitted to this military college, and a claim has been made by some Members of this House on this occasion and on previous occasions, that the youths of the so-called martial classes only should be allowed to this college. Fortunately, I belong to one of those communities which are classified as martial communities, and I stand to gain and my community stands to gain if the claim that has been made here is accepted by the Government. But, in the interests of India, as a whole, I do not want to be very selfish. I maintain that the college should be open to all the eligible youths of India, irrespective of race, or creed, or colour. (Cheers.) What is a martial class? From old history I notice that the most despised class called the Adi Dravidas in Madras and the Mahars in Maharashtra were recruited as sepoys by the John Company, and they fought all the battles of that Company and conquered this Indian Empire for England. But the sons of these very people have been declared to be non-martial; they are not recruited into the Army, and much less will they be admitted into this military college. When I was at school in a small taluka town, I used to see hundreds of military pensioners belonging to the despised depressed classes coming up and receiving their pensions. They were about a hundred or two hundred in number and went once a month to the cutcherry and received their pensions. But the army reorganisation scheme came into operation and the Committee said that these were not martial classes, and that they should not be recruited in future. So, those poor fellows were left out of the Army, and the condition of the community has worsened very much. On the Victory Column at Koregaon about sixteen miles East of Poona are recorded the names of those Mahars who fell in the battle at that place defending the cause of Britain. That column bears a lasting testimony to the martial qualities of those people. In the late war, when recruits were wanted, two Mahar regiments were recruited in the Bombay Presidency, and at that time, perhaps, the military authorities, all of a sudden, remembered that the Mahars had martial quantities but as soon as the war was over those regiments were disbanded and the poor Mahar is not now taken in any regiment.

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As far as martial qualities are concerned, I may point out that every race in India, every people in India, at one time or another in history has distinguished itself by providing both military leaders and fighting men, and if opportunities are offered, I do not think that any race, any caste, or any creed will be found wanting in martial qualities. (Hear, hear.) Opportunity must be given.

Some say that the people have lost their martial qualities on account of the Arms Act; that as they are not allowed to wield arms they have lost their martial qualities. I do not subscribe to that view, because I know that even in England the majority of the people do not handle arms and I have seen some people in India who, although they have got arms licences, are not martial at all. So I do not think the possession of arms or the permission to carry arms will endow martial qualities to any person. If military training is given, the influence of the environment is such that it will create martial spirit in any people. We have seen that the cooks, *dhobis* and barbers in the Army, although they do not belong to the acknowledged martial communities, have distinguished themselves in war. They do not run away: because the environment makes them bold and creates the martial spirit in them. What I maintain is that, in selecting candidates for the military college, there is no need to declare that the youths of particular communities only will be eligible. Let that college be open to all the communities and those who are eligible by education, by qualities of leadership and other things requisite for a military career should be admitted into it.

I want to draw the attention of the House to an item of military policy. Many of the Presidencies are far away from the seat of danger, namely, the North West Frontier Province; and they have been rather unfairly treated. Recruitment is generally made in the Punjab, the United Provinces and the North West Frontier Province. Other provinces are neglected, and the military qualities of the people are being lost. In the despatch of the Madras Government on the Simon Report, a complaint has been made which I should like to bring to the notice of the House. It is this:

"There is one other matter connected with the army upon which the Madras Government wish to lay stress, namely, the need for the revival of the old Madras regiments."

In Volume I, paragraph 116 of the Report of the Simon Commission, the Commission notices the remarkable variations in the contributions which the provinces make to the Indian Army. They say:

"The Government of Madras would remind the Government of India that the pre-eminence of the Punjab and the United Provinces as recruiting grounds for the Army is comparatively recent and has been a natural consequence of the gradual reduction of the old Madras army till there are now three Madras regiments left. The Madras army has a fine record of gallant and loyal service and military traditions are still strong in many parts of the Madras Presidency. If the Northern India recruit is superior in physique, the Madrasi claims superiority in intelligence which is likely to count far more in the future than it has done in the past."

This has been the cry not only of the Madras Government, but of other Governments also, and therefore the military policy of the Government of India should be revised, empowering recruitment from all parts of India, and in this way giving all people an opportunity of serving their country in the Army.

Now, Sir, in this matter of the Sandhurst College, I may point out that the education given in England is very costly. The English army system is so very costly that a Lieutenant or a Captain finds it very difficult to make both ends meet with the high salary they are paid. Such a costly system will not do for India. India is a poor country. The expenses at the military college and of those who join the service should be commensurate with the financial position of the Indian people in general. Therefore those who will be on the expert committee will have to bear this in mind and adopt the system of Japan or some other country where the military training system is not so costly. I submit that there is race discrimination also in the Army; but I shall not take up the time of the House by dilating on that point. I may point out that in the Tank Corps and the Air Force, Indians are kept out. I hope that in future these services will also be thrown open to young Indians. I shall not take up more time and I shall sum up by saying that we on this side of the House and the country in general expect more stringent economy and heavier savings in the Military Department. We also expect that Indianisation in the Army should proceed as rapidly as possible and that a cheaper system of military training be adopted and the life in the military services should be simplified so as to correspond with the means of the people and not be very expensive. Indian methods and Indian traditions should also be imported into the Army and the policy of favouring a few classes should be given up and the Army should be thrown open to all castes, creeds and communities.

Mr. B. R. Puri (West Punjab: Non-Muhammadan): Sir, we have discussed this question threadbare, and so far as the economic situation of the country goes, we have got to concentrate our attention solely to the Army expenses, and the biggest item in that question of Army expense would be Indianisation. We are interested in this subject in two ways. Firstly, if we have to enjoy the status of a self-governing country, then it is absolutely essential that we must be a self-supporting country, that is we should be in a position to defend ourselves without having to look to any extraneous help. Secondly, the subject of Indianisation interests us from another very important point of view, that is because it is far more economical and since from time immemorial, fortunes and fortunes have been sunk in the Military Department, I think it is time that we revised the past history and started a new leaf. So far, Sir, the policy of the Government has been, to put artificial obstacles in the way of the achievement of the desire of the people to secure Indianisation of the Army. At one time the formula was that proper material was not available—proper material in the sense of material of martial character. According to the Government formula, the privilege and title of being martial was enjoyed by only a very few limited sections of the people. As has been clearly pointed out, Sir, by previous speakers, to be martial is not the monopoly of any particular class or creed. It is not a sort of thing which could be made the subject of a statutory provision. It is the result and outcome of training. Any person is entitled to be admitted to any military institution, provided he fulfils the physical qualifications for it. So far as the officer class is concerned, it was put forward as a plea by those who were opposed to Indianisation that educated people who were at the same time possessed of martial instincts were not available. The whole thing came to this, that if an educated person came forward in order to enlist in the Army for the officer rank, the objection was

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"You no doubt fulfil the qualification of being an educated person, but you do not belong to the martial race". If a person belonging to the martial race came forward, the objection raised against him was that "You do not possess the necessary educational qualifications". How then, I ask, is Indianisation to come about? Some who are educated are not martial, while others who are martial are not educated. According to this formula, the country can be prevented from ever achieving the Indianisation of the Army. So far as the rank and file of the Army is concerned, I do not think any valid plea could possibly be put forward.

Mian Muhammad Shah Nawaz: Nobody is putting forward any such plea.

Mr. B. R. Puri: My Honourable and learned friend says that nobody is taking up that position now. He is quite right. This was however the position that hitherto had been taken, I say there is no valid reason against Indianisation, and I ask why a start is not being made to Indianise at a rapid pace. Sir, I do not see any Indianisation in the near future if my reading is correct. Recently a question was put in the Council of State and the answer was vouchsafed by His Excellency the Commander-in-Chief. I am now reading from the proceedings of the Council of State dated the 24th February. The question that was put was what was the number of Indian and European officers appointed annually to the Indian Army, what was the proportion of Indian officers to European officers in each year, and whether at the present rate of Indianisation of the officers' cadre, that cadre would ever become totally Indianised. The answers of His Excellency the Commander-in-Chief were:

"The figures for actual appointments vary from year to year, and are not readily available: but it will perhaps meet the object of the Honourable Member's inquiry if I give the figures for vacancies. At the present time a maximum of 82 vacancies a year is offered to Europeans. Of these, 70 are obtainable through Sandhurst, and 12 through universities. The maximum offered to Indians was 10 a year, until 1923, when the number was increased to 25, of which 20 are by direct entry into Sandhurst, and 5 by nomination of Viceroy's Commissioned officers, who proceed to Sandhurst after being nominated."

Then there is a significant sentence:

"There has been no year in which all the vacancies, European and Indian, were filled. The deficit has been partially met by transfers from the British Service. The approximate total numbers of Indian and European officers admitted to the Indian Army during the years 1925 to 1930 were:

Indians	57
Europeans	491

which gives a proportion of a little more than one Indian to 9 Europeans.

The foregoing figures are exclusive of the vacancies recently opened to Indians at Woolwich and Cranwell. Four Indians have passed into Woolwich and six are now under training at Cranwell."

Then I particularly invite the attention of the House, Sir, to part (d) of the question:

"whether, at the present rate of Indianisation of the officers' cadre, that cadre will ever become totally Indianized?"

The answer of His Excellency was, "No"—but it should have been "never". I will quote his answer:

"(d) No, Sir, as I have explained, the present maximum rates of entry are 82 Europeans and 25 Indians, annually."

Now could we reasonably hope and expect at this rate ever to attain the Indianisation of the Army? This would, if I may be permitted to say so, achieve the opposite result, that is the Europeanisation of the Army, rather than Indianisation, because, considering the disparity between the two proportions, and considering further that the rate of mortality amongst Indians is greater than among Europeans, I think this class, *i.e.*, Indians should in the long run be eliminated. What we need is that there should be a graduated scale. Let us begin say with 25 or 30 per cent. Indians, each year the number should go up say by 10 per cent. and the corresponding number of Europeans should decrease. If we proceed on those lines, then we can hope in the course of a few years to eliminate the outside element and to see the Indianisation of the Army accomplished. Unless we do that, it is impossible to achieve that object.

Sir, I am bound to say that the subject was not approached in that spirit even at the Round Table Conference. If we look at page 16 of the Sub-Committee's Report (No. VII Defence), we find that at the very outset a peculiar atmosphere was created, when Indianisation was about to be discussed, the position created being something like this, that now that they were about to touch a very weak point, Indianisation being the source and element of weakness, every member was made to realize that they were about to tread upon very delicate ground, and that the less they said the better it was, lest this would get to certain quarters and thereby the safety of this country be imperilled. Sir, is it such a dreadful subject as that? I invite your attention to sentences which occur on page 61:

"The discussion in the sub-Committee centred mainly round the question of Indianisation, and every aspect of this question received thorough attention. It was unanimously agreed that in a matter of such importance as Defence, the utmost care was necessary in expressing opinions, and the sub-Committee as a whole was very anxious not to create the impression that anyone in any way or to any degree wanted to say anything that could even remotely tend to imperil the safety of the country, or to weaken the strength of the Army."

Is there not, Sir, a veiled suggestion, a sort of innuendo, that if you desire to discuss the Indianisation and propose a substitute for the European element, you would be introducing a subject that is fraught with very great dangers, and that the less you say, the better? Is this the spirit in which the subject should have been approached? Then, again, when you consider the proceedings further, you will find that the policy of delay and drift was pursued, and the sub-Committee never came to any definite conclusion. It never even indirectly gave any encouragement to this question. On the other hand, reading between the lines, one is constrained to come to the conclusion that the subject was not very popular and it was not quite to the liking of those who were in authority. You will be pleased to see the next sentence which speaks for itself. It runs thus:

"The majority of the sub-Committee considered it impossible for practical reasons to lay down any definite rate of Indianisation or anything of a precise character that might in any way embarrass those responsible for defence and fetter the judgment or the discretion of the military authorities. Those that held this view felt that the

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principle of the Indianisation of officers of the Indian Army could not be looked upon as merely a question regarding the efficiency of a single officer or group of officers, or even of a single unit or group of units. It was a principle that to the majority appeared to affect the Army as a whole. It was in consequence the view of this large section of the sub-Committee that a highly technical question was involved on which the sub-Committee was not qualified to express an opinion."

Then, Sir, it was brought out that the matter was to be referred to a Committee which was to be hereafter appointed and which would go into the whole question.

And this brings me to another matter—the Report says:

"The sub-Committee also recognised that in dealing with the question of Defence it was not possible to overlook that a factor that must govern all considerations of the subject was the responsibility of the Crown through the Committee of Imperial Defence, which body was ultimately responsible for examining all these problems."

Now, Sir, it is this Committee of Imperial Defence, of which we have been the victims during all this period. We are afraid of this Committee of Imperial Defence because it is through this Committee that we have had, during the last 50 years or so, to entertain the surplus Army of Great Britain, to house them, to feed them, to keep them well equipped for any emergency and for every occasion whenever their services were required abroad. Sir, this, I submit, is an act of great injustice upon the people of this country, whose resources are really very poor. This question has been discussed, but the one aspect that I would like to put before the House in that connection is that it is time that the British Government realised that they have not been dealing with us fairly. This is what they say in the Report of the Round Table Conference:

"The Committee also recognise the great importance attached by Indian thought to the reduction of the number of British troops in India to the lowest possible figure and consider that the question should form the subject of early expert investigation."

Sir, does it require any expert investigation? I submit, Sir, that it is an immoral act to inflict and force upon us this task. We are poor in comparison with the resources enjoyed by Great Britain and we should not be made to play the part of a wet nurse. We are not responsible for these people. They create children and they dump them on us. We have got to feed them. Is that a fair treatment? Now that we have discovered it, it is time that it was stopped. It puts me, Sir, in mind of a man who walked up to a shop of a fishmonger and on the sly picked up a fish and shoved it into his pocket but the tail was sticking out. The fishmonger happened to detect it and just as the man was about to depart with the fish, the fishmonger said: "Look here, young man, take my tip, next time you steal a fish, select a smaller one or have a bigger pocket". Now, that we have discovered the trick it does not require any expert investigation to decide whether you should stop it or not. The answer of that young man was very significant. He said: "All right, Mr. Fishmonger, I am very sorry; but now that I have been found out, I will not repeat it any longer". Therefore, my submission is that it is time that these gentlemen, who are responsible for inflicting upon us such a heavy burden, stopped this practice.

There is one other item to which I particularly wish to draw the attention of the House. I find that, so far as the medical machinery of the Army is concerned, it is a most wasteful one. It is most extravagant,

and too elaborate a machinery and is not really required for the needs of the Army. Now, on this point, if the House will bear with me just for two or three minutes, I would like to place one or two preliminary facts before them, so that they might be able to appreciate what I wish to say. You will be pleased to note that for 65,000 British troops there are at the present moment very nearly 320 R.A.M.C. officers. Apart from that, there are 739 I.M.D. officers, out of which 346 are retained in the Army and rest are transferred to the civil Departments. Then there are 143 nurses, etc. This is so far as the British Army is concerned. For the Indian soldiers there are 748 I.M.S. officers, out of which 449 are retained for the military duties. Apart from those, there are about 700 subordinate medical officers. Now, having regard to this number, you will find that there are several station hospitals that are run for the needs of the Army and for the British troops in this country, whose number may be roughly taken to be 60,000—there are 8,000 beds provided in the station hospitals. It really comes to this, that for every 100 British soldiers there is in the hospital always a permanent arrangement of 13·3 beds. In the Indian hospital you will find that for 2,50,000 Indian troops, 12,000 beds are provided. This gives a ratio of 5 per cent. Now on the average you will find that half the beds in the British hospital and three-fourths of the beds in the Indian hospitals always remain empty. You will find that consequently all the provision that you have made on that scale goes absolutely waste. It is never utilised. This elaborate provision that you have made is not really needed. Now, just compare it with the case of a town like Amritsar. I take Amritsar for this reason that its population is 2,50,000 corresponding to the exact number of the Indian Army in this country. Now, you will find that there are only 500 beds that are provided in the Amritsar hospital. This is how the civil side is treated. Compared with that, for an army of 2,50,000 or nearly three lakhs army in this country, there are 20,000 beds provided, and I will just give you, Sir, the number of medical men that the civil Medical Department employs. One Civil Surgeon, one Health Officer, and a few Assistants who are in charge of the health, sanitation and medical relief of not only the town of Amritsar but of a large area in the district containing many dispensaries. Against this the Army Department employs 769 medical officers and over 1,200 Assistants. This huge disparity between two administrations in the same country and dealing with the same class of people cannot be explained.

Now, apart from that, you will find that if you visit an ordinary station hospital, you will find about 10 to 12 I.M.S. Officers who are practically doing nothing. One is an eye specialist, the other is a surgical specialist, a third is an ear specialist. They keep on drinking their whisky and soda without having anything else to do and the class of patients that they usually get is often a soldier with a minor injury received in a football or a hockey match. That is the sort of diseases that they are called upon to treat. Is it not sheer waste? I submit, Sir, it is time that the military authorities paid a little attention in this direction.

The other suggestion which I should like to offer is that vast amounts, vast fortunes are being made in the Military Department. There is a considerable amount of leakage that is going on from day to day, and the reason for that is, I make bold to assert, that unfortunately corruption in that Department is so great that, in most cases, it is not confined to the lower strata. Therefore, it is time that the military authorities took some

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care and paid a little more attention in that direction. Some very important sensational cases have, from time to time, been started but unfortunately those prosecutions have generally collapsed. The reason is obvious. The reason is that it is not confined to any particular class. We find that from considerably higher ranks down to the lower ranks, the whole thing is really a fabric of corruption and therefore these things do not come to light and the prosecutions generally collapse.

One word more I wish to submit for your consideration and it is this. We have really laboured under a great disadvantage. The financial policy which has hitherto been pursued has made this machine of the Government so expensive that anybody who now takes charge of it will find it extremely difficult to manage. It is like a machine, like a motor car which runs only five miles to a gallon, and one would hesitate to acquire such a machine lest it might prove too expensive for him to run. We will beg of those who have been in charge of it to devise means and to leave a better legacy than they are about to leave. If, Sir, they cannot restore back to us our country where there was peace and plenty, if they cannot give us back milk and honey, at least they ought not to return to us a bankrupt exchequer.

The Honourable Sir George Schuster: Sir, according to the usual procedure in dealing with motions of this kind, it has not been customary for me as the Finance Member, although I move the motion in the first place, to reply at any length, but the course of the discussion today has followed certain lines which make it very important that I should say certain things on subjects which have come before the House. The particular point to which I refer is this, that there has been developed a double line of argument or, perhaps rather, a double line of attack not merely on the policy and expenditure of the Army Department, but on the measure of control over that expenditure exercised by the Finance Department, and it is with that line that I, particularly, wish to deal. But, before I pass to that subject, I cannot leave unnoticed some of the remarks made at the conclusion of his speech by the last speaker. If the Honourable Member wishes to make general charges of corruption against a Government Department, and comes forward to make statements of that kind on the floor of the House, I think, Sir, speaking on behalf of the Government, it is fair for me to say that if he wishes to maintain his position, after having made such charges, it is up to him to substantiate them. (Hear, hear.)

The main speech with which I wish to deal in my remarks will, I think, be generally accepted by this House as the speech with which I ought to deal. I refer to the very full argument developed by my Honourable friend Mr. Ramaswami Mudaliar. I find myself in some difficulty in replying to my Honourable friend, because if, on the one hand I defend myself with vigour, I may be accused of not being sufficiently responsive to Honourable Members opposite; on the other hand, if I am responsive I may be accused by my Honourable friend of not showing a proper fighting spirit such as he would like to see in the Finance Member of the Government of India. (Laughter.) I shall try, Sir, to steer across between these two extremes. Perhaps, in the first place, I might select a certain portion of my Honourable friend's remarks for replying in a form different to agreement with what he has said. Sir, my Honourable friend developed his line of attack as a line of attack chiefly against the method of control which is now exercisable under what is generally known as the contract

budget system, and the largest part of his evidence in support of his attack was taken from the latest Report of the Public Accounts Committee. There are one or two things that I would like to point out with reference to that Report. In the first place, the Report deals with the accounts of the year 1928-29. It is a point to which I had to make reference when this House was considering the Report of the Public Accounts Committee a week or two ago. These Reports come before us very much out of date; it is inevitable that they should do so, but it makes their discussion of less value than it might otherwise be. All that my Honourable friend has been able to select for his attack are certain remarks which refer to the account year, 1928-29, the year before I myself took charge of my present office, and actually the first year to which this contract budget system applied, a year which had really passed before the system got into proper working order at all. Therefore, if there was any fault in that year, I do not think it is fair to blame this particular system, and I hope, if my Honourable friend is a Member of this House two years hence and sees before him the Report of the Public Accounts Committee on the accounts for the year 1930-31—and he will have to wait two years to do so—I hope he will then find evidence of very considerable improvement from the state of affairs which prevailed in 1928-29. But there is another thing which I should like to say with reference to this matter, and that is that the Honourable Members of this House must realise that the Public Accounts Committee, as I pointed out the other day, is a Committee which is concerned solely with cases that go wrong. Its whole object is to find out matters for complaint, and the general substance of the Report is an aggregation of cases which call for comment and criticism. It is not the duty of the Public Accounts Committee to call attention to the vast mass of work which is well done. But quite apart from this, I submit that if my Honourable friend had been able to read the whole of this Report of the Military Accounts Committee, he would have presented a very different picture to what he was able to do very cleverly by selecting one or two sentences. My Honourable friend referred particularly to cases of alterations in the terms of contracts which had been concluded, and I have taken pains to ascertain what these cases mainly are. I find they are mainly cases of where a contract for making a particular stretch of road is given and it is necessary to make that stretch a bit longer. Then, as an obvious business course the extra work is given to the same contractor. In such a case, quite naturally, tenders are not called for and possibly the terms of the contract may be altered. I feel confident that if my Honourable friend had time to go into the particular facts referred to here, he would feel constrained to come before the House, I think, and inform them that he had painted a picture which was considerably too black. Sir, the whole of this Report of the Military Accounts Committee was submitted, according to our ordinary procedure, to the Public Accounts Committee whose Report is signed by myself as Chairman, and by Members of this House, Mr. B. Das, Mr. M. C. Rajah, Mr. Abdul Matin Chaudhury, Mr. S. C. Mitra, Maulvi Muhammad Yakub, Mr. Ramsay Scott, and the Auditor General; and they in commenting on the Report of the Military Accounts Committee say:

"We are, like the Military Accounts Committee gratified to note that during the year under review the percentage of financial irregularity detected by audit and requiring special mention was on the whole satisfactorily small and that there has been some improvement in the standard of financial discipline applied to cases of financial irregularity."

[Sir George Schuster.]

They went on to say that there was still room for improvement—there is always room for improvement—and I hope that my Honourable friend when he sees the Reports for later years, will find that there has been considerable improvement. I therefore would go so far as to say that my Honourable friend has not really substantiated his claim that the system of control is now unsatisfactory. I would go further and give him an expression of my own opinion, which is that from having watched very carefully how this system is working, although I must confess and freely admit that I was completely opposed to it at the outset and thought that it was an entirely wrong principle to which, however, I was bound honourably to give effect, as the arrangement had been completed before I took over my office, although I make that admission, I have been convinced in practice that as a working arrangement there is a very great deal to be said for it; and if it is worked properly and if the Finance Department do their duty and if the principal staff officers exercise their control, which I know for a fact they are now doing, this is really a businesslike arrangement, and I would suggest to this House that they would be unwise to condemn it prematurely. I quite admit that it is an arrangement which wants very careful watching. It is an innovation which does not apply in other countries. But it has certain very great advantages. There is not that incentive which we always find and every Government finds to overspend just at the last moment of the financial year; for however close your control is, any one who has got experience of Government business knows that, when heads of Departments and officers in control of expenditure know that they must spend their grant before the end of the financial year, it is inevitable that, just at the end of the year, there is a tremendous rush to get orders placed and the public interest is damaged thereby. That disadvantage is certainly guarded against by this stabilised budget arrangement, and therefore I feel that it has very considerable advantages and that it should not lightly be condemned. Having said that, I do not wish to dispute my Honourable friend's statement that there may be room for improvement in the business methods of the Army. There is always room for improvement. But I say he would find that comparing the Army now with other armies, it is on the whole managed on very businesslike lines. But I shall return to that subject again.

I want to turn now to a particular subject mentioned, and that is the question of the capitation payments and I want to respond as far
 5 P.M. as I can to what was said on the other side. I feel sure that this House will excuse me if I do not attempt to particularise too closely. I did not know that this subject was going to be raised today, and I have not had time to consult everybody concerned so as to ascertain exactly how far I can make disclosures or not. But I can give a certain general account of the situation. It is a well-known fact that this question of the capitation rates has been a subject in dispute between the War Office and the Government of India for some time. It is not merely a claim by the Government of India to have the capitation payments abolished. But there is quite distinctly a claim on the other side that the rates at present paid do not as a business arrangement recoup the British Government for the expenditure which they are intended to recoup. Therefore we entered upon a consideration of this subject in the first place as people resisting a claim which had been made against us on the other side. The matter was in constant discussion certainly during my first year out here, and we were able to come

to an agreement in principle as to how it ought to be handled; and the method that we agreed about resembled very closely what my Honourable friend referred to when he mentioned a recommendation which had been made at a recent Imperial Conference. I have not been able to check my Honourable friend's reference, but I should be very glad if he would give it to me afterwards. We were and are definitely contemplating a reference of this whole question to an independent tribunal, and His Majesty's Government had agreed that it should be handled in that way. Then we got involved in this constitutional question, and although my Honourable friend says that this could have been handled independently of the constitutional question, I would ask him to accept it for a fact that the delay has been entirely due to the fact that these constitutional points were under discussion; and the reason for it—and I think the Government of India must accept a certain amount of responsibility for it—the reason for it really has been that we on our side felt that the Indian case would have a better chance of consideration after the constitutional issues had been cleared and in the atmosphere which we hoped would be created at these constitutional discussions, than it would be if we dealt with it quite independently. Of course, we may possibly have been wrong about that, but that at any rate was the reason by which we were guided. I think those who were at the Round Table Conference may be inclined to agree that something has been gained by waiting. Apart from that, I think it would in fact have been impossible to detach it from the constitutional issue, because a great many of the arguments on which the Government of India's case was based really did raise constitutional points and they particularly raised the sort of points which have been referred to in the Report of the Statutory Commission; indeed we had throughout felt bound to await the result of that inquiry, because we understood that certain things were going to be said in that Report which would have a distinct bearing on this particular case. I should like to make it clear that we on our side have been careful to see that the Government of India's interests should not be prejudiced by this delay, and in the discussions with His Majesty's Government on the subject it has been agreed that, whatever settlement should be arrived at should be retrospective and should date—I think I am correct but I have not been able to verify it since this debate began—from the 31st March, 1926. So that if we are able to obtain a reduction of the payments, we are not losing by delaying now and we shall be credited with the arrears. I must on the other hand say that His Majesty's Government also reserved the same position, for they think that it may be they and not we who will benefit by securing the introduction of this particular provision for retrospective adjustment. However Honourable Members will I think be satisfied that we are not prejudicing our interests by delay.

Then there was a particular point in reference to the capitation rates which my friend mentioned, and that was that in recent years the actual per-head rate had not been given in any of the Government's statements of account. That is perfectly true and the present payment really represents a lump-sum payment which was arrived at at a sort of provisional compromise payment. It is fixed at a definite sum, £1,400,000, and it does not vary according to the numbers of troops. As a matter of fact the numbers of troops are fairly constant so that there is not very much in that; but having fixed the matter in that way, it ceased to be reckoned on a *per capita* basis and the *per capita* rate is therefore not stated.

[Sir George Schuster.]

Now, before I leave this capitation payment question, I should like to say this. Speaking on behalf of the Government, there is a good deal more to be said about it which I have not been able to say today, and if Honourable Members opposite would desire to discuss it with us confidentially, if leaders of parties or two or three Members to be selected in any other way would wish to discuss it with me, I shall be very pleased to do so, and to go very fully into the whole position with them. In fact I should appreciate the opportunity to do that because we are anxious to get some opportunity of testing public opinion as to the way in which the matter might best be handled in the future from the Indian point of view. Therefore I trust that that offer will satisfy Honourable Members and that they will excuse me from going into any further details on the question.

I now turn to the last point with which I need deal, and that is the test question which my Honourable friend put to me: "If the Government are prepared to allow the Retrenchment Committee to go into the Army expenditure", he said, "then we on this side will accept such a committee and consider it a valuable offer and one in which we shall be glad to participate". Well, Sir, I say without any reservation or hesitation, that the Government are perfectly prepared to do that on the terms on which my Honourable friend made quite clear he was speaking. He said he does not want to suggest that the Committee should go into questions of military policy, but he wants it to investigate the whole of the business side of Army administration: I think I am correct in my interpretation of what he asked for. Sir, on that understanding, as I have said, we welcome the suggestion, and I would like to refer back to what I have said in previous debates, that on this whole question of how best we should set up a retrenchment inquiry—whether it had better be by a number of separate committees, whether it had better be by committees representative of this Assembly or by the Government associated with experts—on all those details I think it would be most advantageous if we could discuss them with representatives of the unofficial parties; and I shall be very glad to arrange for an early meeting for that purpose. We are as anxious as they are to go into this whole question of business efficiency, and I think when we work together and make some advance on these questions, my Honourable friend may withdraw the suggestion that he made that it is our desire or intention to leave most of the dirty work to be done by our successors.

Mian Muhammad Shah Nawaz: Mr. President, there is a stile in the way of one who is sitting on a horse; there is a stile in the way of one who is sitting on a fence, and there is a stile in the way of one who is watching to see which side the cat jumps. My esteemed and learned friend, Mr. Arthur Moore, belongs to the last category. He is simply waiting for the results of the expert committee which is sitting to enquire into the development of the Air Force, hoping perhaps thereby a corresponding reduction may be made in the fighting troops. I have no quarrel with him on this account. Indeed I asked a question of my Honourable friend, Mr. Young, as to what extent the development of the Air Force and the mechanization will produce reduction in other directions; but as usual I have received no answer from him. My Honourable friend, Mr. Arthur Moore, admitted that the cost of the Military Department was more than it ought to be and that there is room for retrenchment. On that admission he would go with me into

the lobby to vote against the Government, not to vote with the Government. My cut is that the military expenditure is excessive and Mr. Arthur Moore admits that it is so. He is, therefore, in honour bound to vote with me.

I come now to my Honourable friend, Mr. Young's arguments. He admits that the Inchcape Committee recommended that the military expenditure should be reduced to Rs. 50 crores; but he said that they also recommended that this ought to be done when there is a fall in prices of agricultural products. Does not my learned friend know that there has been a tremendous fall in the prices of agricultural commodities now? Why cannot the Army Department reduce the expenditure to Rs. 50 crores if they want to accept the recommendations of the Inchcape Committee on that score?

My Honourable friend then said, "Well, the military expenditure has risen in some countries". I know that it has risen. I know that in some countries it is ranging from 6 to 10 per cent. of the total income and that in Russia it amounts to 20 per cent. But can he show me any country in the world where it has risen to 27 per cent. of the entire income? He has not replied, as usual to that question.

My learned friend again said, "Oh, the strength of the battalions cannot be reduced; our experts say so and we do not agree with the Inchcape Committee". Then, why did you appoint that Committee? This is just the way that an irresponsible, irremovable government will talk. We are decidedly of opinion that the strength of the Indian battalions can be reduced by 154 men and there is no argument to the contrary, except the interested expert opinion which of course there may be; but as regards the Army, we all know that your experts want to increase the number of troops.

I asked my learned friend to what extent the number of the covering troops would be reduced as a result of our policy on the frontier. My learned friend has given no reply as usual to that question. If the frontier is pacified, as he admits that it is being pacified, there is no reason why the strength of the covering troops should not be reduced and retrenchment in expenditure effected in that way.

Sir, I am very grateful to my Honourable friend, Sir George Schuster, for agreeing to my proposal and that of my learned friend, Mr. Mudaliar, for the appointment of a Retrenchment Committee which would go into the question of military expenditure. We are thankful to him, and I think this House should on this basis accept the proposal of my learned friend for the appointment of a Retrenchment Committee.

There was another question which I asked, but to which I received no reply as usual from Mr. Young. I asked was it not a fact that the Committee of 1922 had recommended that there should be 81 Indian officers per year in the higher ranks of the Army. Are you going to do that this year? My learned friend gave no reply. He simply said that the recommendations were not accepted by His Majesty's Government, forgetting that last year Mr. Wedgwood Benn himself said that if the Government of India were to recommend a rapid Indianisation of the Army, he would accept any recommendation. Are you going to do that? Are you going to recommend it to the Secretary of State? I pause for an answer.

Mr. G. M. Young: I am not quite sure what the recommendation is to which the Honourable Member refers. Recommend to whom? To His Majesty's Government, and if so at what stage?

Mian Muhammad Shah Nawaz: I say that the Committee of 1922, which reported on 11th January 1922—and this Committee was appointed by the late Lord Rawlinson—recommended that there should be an annual increase in the officer ranks to the extent of 81 per year in the first period. That I made quite clear. I said that Mr. Wedgwood Benn last year made it perfectly clear that if the Government of India were to recommend the rapid Indianisation of the Army, they would accept any suggestion in this matter. Are you going to do it now? Are you going to select 81 officers this year and next year before the expert committee makes a Report, before the new constitution comes into force? My question is clear and I want a clear answer, Sir.

Mr. G. M. Young: Sir, His Excellency the Commander-in-Chief made it perfectly clear in his recent speech in the Council of State that he was not yet in a position to disclose the extent of his recommendations for Indianisation. That is the position, but those recommendations will of course have to be disclosed by the time the expert committee meets.

Mian Muhammad Shah Nawaz: As usual, Sir, the reply is confidential.

Mr. Jehangir K. Munshi (Burma: Non-European): I warned you in the morning that you would get no reply.

Mian Muhammad Shah Nawaz: That I know very well.

Then, I asked my learned friend whether he could not reduce in this time of peace, in this time of goodwill and co-operation, the number of the British troops in India. The reply is, "Well, it cannot be said now, because an expert committee will sit and inquire into that question". Can you do it now? Are you prepared to reduce the number of the British troops in any shape or form? As usual, no answer. (Laughter.)

Then, Sir, replying to my esteemed and learned friend, Mr. Mudaliar's arguments, the Army Secretary said that generally the Army estimates were not over-estimated. This is a very laconic and brief answer. My Honourable friend referred to facts and figures, and the reply from the Government side was that it was not correct and that the Army estimates were not generally over-estimated. But figures show that they are over-estimated.

Then, Sir, as regards the constitutional question which was raised by my learned friend Mr. Mudaliar in a very able speech, my Honourable friend Sir George Schuster has given a frank reply, and I will leave the various points raised for consideration by expert investigation. All that I say is this. I have made out an unanswerable case, and I want every elected Member in this House, leaving alone my friend Mr. Arthur Moore, whose speech is somewhat inconsistent, to go with me into the lobby and vote with me. (Loud Applause.)

Mr. President: The question which I have now to put is:

"That the Demand under the head 'Army Department' be reduced by Rs. 100."

The Assembly divided:

AYES—66.

Abdoola Haroon, Seth Haji.
 Abdur Rahim, Sir.
 Aggarwal, Mr. Jagan Nath.
 Ahmed, Mr. K.
 Anklesaria, Mr. N N.
 Adwar-ul-Azim, Mr. Muhammad.
 Azhar Ali, Mr. Muhammad.
 Bagla, Lala Rameshwar Prasad.
 Bhuput Singh, Mr.
 Biswas, Mr. C. C.
 Chetty, Mr. R. K. Shanmukham.
 Dudhoria, Mr. Nabakumar Sing.
 Dutt, Mr. Amar Nath.
 Fazal Haq Piracha Shaikh.
 Gour, Sir Hari Singh.
 Gunjal, Mr. N. R.
 Hari Raj Swarup, Lala.
 Hoon, Mr. A.
 Ibrahim Ali Khan, Lt. Nawab
 Muhammad.
 Ismail Ali Khan, Kunwar Hajee.
 Ismail Khan, Haji Chaudhury
 Muhammad.
 Jadhav, Mr. B. V.
 Jehangir, Sir Cowasji.
 Jha, Pandit Ram Krishna.
 Jog, Mr. S. G.
 Kyaw Myint, U.
 Lahiri Chaudhury, Mr. D. K.
 Maswood Ahmad, Mr. M.
 Misra, Mr. B. N.
 Mitra, Mr. S. C.
 Mody, Mr. H. P.
 Muazzam Sahib Bahadur, Mr.
 Muhammad.

Mudaliar, Diwan Bahadur A.
 Ramaswami.
 Mujumdar, Sardar G. N.
 Munshi, Mr. Jehangir K.
 Neogy, Mr. K. C.
 Pandian, Mr. B. Rajaram.
 Pandit, Rao Bahadur S. B.
 Permanand Devta Sarup, Bhai
 Puri, Mr. B. R.
 Puri, Mr. Goswami M. R.
 Raghubir Singh, Kunwar.
 Rajah, Raja Sir Vasudeva.
 Ranga Iyer, Mr. C. S.
 Rangachariar, Dewan Bahadur T.
 Rao, Mr. M. N.
 Reddi, Mr. T. N. Ramakrishna.
 Roy, Kumar G. R.
 Sadiq Hasan, Shaikh.
 Sant Singh, Sardar.
 Sarda, Rai Sahib Harbilas.
 Sen, Mr. S. C.
 Shah Nawaz, Mian Muhammad.
 Shahani, Mr. S. C.
 Singh, Kumar Gupteshwar Prasad.
 Singh, Mr. Gaya Prasad.
 Sitaramaraju, Mr. B.
 Sohan Singh, Sirdar.
 Sukhraj Rai, Rai Bahadur.
 Thampan, Mr. K. P.
 Tun Aung, U.
 Uppi Saheb Bahadur, Mr.
 Walayatullah, Khan Bahadur H. M.
 Yakub, Maulvi Muhammad.
 Yamin Khan, Mr. Muhammad.
 Ziauddin Ahmad, Dr.

NOES—43.

Abdul Qaiyum, Nawab Sir Sahibzada.
 Acheson, Mr. J. G.
 Alexander, Mr. W.
 Allah Baksh Khan Tiwana, Khan
 Bahadur Malik.
 Ayyangar, Diwan Bahadur V.
 Bhashyam.
 Bajpai, Mr. G. S.
 Banarji, Mr. Rajnarayan.
 Baum, Mr. E. F.
 Boag, Mr. G. T.
 Chatterjee, The Revd. J. C.
 Cocke, Sir Hugh.
 Crerar, The Honourable Sir James.
 Dalal, Dr. R. D.
 Fazl-i-Husain, The Honourable Khan
 Bahadur Mian Sir.
 Fox, Mr. H. B.
 French, Mr. J. C.
 Graham, Sir Lancelot.
 Gwynne, Mr. C. W.
 Hamilton, Mr. K. B. L.
 Heathcote, Mr. L. V.
 Hezlett, Mr. J.

Jawahar Singh, Sardar Bahadur
 Sardar.
 Khurshed Ahmad Khan, Mr.
 Macmillan, Mr. A. M.
 Montgomery, Mr. H.
 Moore, Mr. Arthur.
 Morgan, Mr. G.
 Mukherjee, Rai Bahadur S. C.
 Parsons, Mr. A. A. L.
 Rafiuddin Ahmad, Khan Bahadur
 Maulvi.
 Rainy, The Honourable Sir George.
 Rajah, Rao Bahadur M. C.
 Rau, Mr. H. Shankar.
 Roy, Mr. K. C.
 Sahi, Mr. Ram Prashad Narayan.
 Sams, Mr. H. A.
 Sarma, Mr. R. S.
 Schuster, The Honourable Sir George.
 Scott, Mr. J. Ramsay.
 Shillidy, Mr. J. A.
 Studd, Mr. E.
 Tin Tut, Mr.
 Young, Mr. G. M.

The motion was adopted.

Mr. President: I should like to ask Honourable Members whether they wish to follow the procedure which the House adopted yesterday. If that is so, I will have to put the reduced demand for the Army Department to the vote, in order that the House may be able to take up the Income-tax Demand tomorrow.

Honourable Members: Yes.

Kumar G. B. Roy: May I move my Assam Rifles cut motion*? It will take only five minutes.

Several Honourable Members: No, no.

Mr. President: Honourable Members must realise what I pointed out yesterday, that they have either to accept the procedure adopted then, or to proceed with the cut motions as they appear on the Order Paper. I take it that the House unanimously wishes

Mr. O. S. Ranga Iyer: No, not unanimously.

Mr. President: If the House is not unanimous, then I shall be obliged to adjourn the House now and take up the other cuts under the Army Department tomorrow.

Honourable Members: No, no.

Mr. H. P. Mody: If the majority of the House is in favour of the procedure you have suggested, I think it is up to you to carry out that wish.

Mr. President: It cannot be done. The Rules and Standing Orders lay down a specific procedure, which the House can, I think, vary only unanimously. Yesterday the House was unanimous as no one expressed his dissent. Today some dissent has been expressed, but I hope that the dissenting Members will respect the wishes of the overwhelming majority of the House. My hands would otherwise be tied. It is for Honourable Members to consider whether they will not follow a procedure which enables the House to deal with as many Departments as possible for which Government demand grants. I will ask once more whether the House will agree that I should now put the reduced demand for the Army Department to the vote in order that the path may be cleared for to-morrow's discussion of a new Demand. (*Honourable Members:* "Yes, yes.") I take it that the House is unanimous. The question I have to put is:

"That a reduced sum not exceeding Rs. 5,36,900 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending the 31st March, 1932, in respect of the 'Army Department'."

The motion was adopted.

The Assembly then adjourned till Eleven of the Clock on Wednesday, the 11th March, 1931.

*"That the Demand under the head 'Army Department' be reduced by Rs. 1. (Assam Rifles.)"

APPENDIX.*

Translation of a speech delivered in Marathi by Mr. N. R. Gunjal, M.L.A., in the Legislative Assembly, on the 6th March, 1931, in connection with the General discussion of the Budget.

Mr. N. R. Gunjal (Bombay Central Division: Non-Muhammadan Rural): Sir, I am indeed thankful to you for giving me an opportunity of offering my remarks on the General Budget. It is with a heavy heart, I find that the Budget for 1931-32 which, Sir George Schuster, the Finance Member, has submitted to this House, is full of odium and widespread dislike. If the history of Indian Budgets from the year 1921-22 onwards, is traced it will be evident that expenditure has been growing heavily, year after year, and that no attention whatsoever has been paid by the representatives of people of India to these excesses and increased expenditures, and also to the crooked policy of extravagance. I wonder, why the representatives of the people of India should not protest against these heavy demands in the Budget? Why should they remain satisfied with simply delivering speeches on only the general aspect of the Budget in this Chamber and by publishing them in newspapers? If carefully surveyed, it will be seen, that the Budgets, as submitted by the Finance Members, from time to time, are passed, without any reduction in the expenditures proposed therein. But, Sir, this is the year,—the year 1931-32—when it should be remembered that this House should denounce this policy, and should reject all proposals and express the inevitable discontent.

In all the Departments in the Centre, Sir, all high-salaried posts are filled up by Europeans. In many places in the Budget, their salaries are shown under the head “non-votable grants”. When these high-salaried posts are created in the Departments, these posts, in the beginning for some time, are shown as “votable”, but, no sooner the Departments are confirmed or made permanent, the salaries become “non-votable”. The result of this is that the Members of the Assembly have no chance of offering their “cuts”. In this way, the white elephants of England are freely moving about in the vast grazing ground of India.

Sir, what have Government done for the agricultural classes in India? Are the agriculturists not paying much to the Government? Has the Finance Member announced any measure of relief to, or any constructive scheme of economic uplift for, these dumb millions of the population? Will Government reply to these questions? To my mind, the Budgets presented to this House, year after year, are nothing but bankruptcy Budgets, and this is one of the main causes of all the suffering of our leaders and of the truce declaration by His Excellency the Viceroy and Mahatma Gandhi—the leader of India.

Sir, for about one hundred and fifty years, the British Government have been sucking the blood of our agricultural classes, and have been labouring under a wrong impression that their policy is not understood by the peasants of India. I am here to tell this Assembly and the Treasury Benches that, in the past, India has produced intelligent men—more intelligent men than at the present day—and that, at present, there are men who are also wise and have sufficient knowledge and intelligence.

*Vide page 1587 of these debates.

They know that India is their motherland, the agriculture and the agricultural income are their own, and they desire that they must have a share in the administration of their own country. They think, they must raise their own army, and in order to achieve this, the present day Indian intelligent leaders are at work, and are endeavouring, day and night, to achieve that end.

I am greatly surprised, Sir, to see in this year's Budget a deficit of 18½ crores, and in order to balance this Government's suggestions are that income-tax and super-tax should be increased. This policy of increase of taxation is very harmful to the trading classes of India. The increase in income-tax is one which will hit the middle classes very heavily. Are the Members of the Assembly not aware of this? There are several heads in the Budget, showing expenditures and incomes, but, I find, that the main monopoly there is for white officers. All these difficulties are created in the Budget by the Government and the Budget is showing a horrible deficit, and for that purpose, people are now taxed for no faults of their own. Land settlement is another cause of heavy taxation of the agricultural classes. The present system of land settlement should be abolished, and a new system of permanent settlement should be brought into force, or the revision period should be fixed at 100 years, so that the peasantry can have some relief. Every village should have a free grazing ground according to the number of cattle, and other necessities of agriculturists, such as, wood for agricultural implements, and thorns for fencing etc., should be given free of all charges.

Government should encourage the Ayurvedic medical system and should open a college for the same because foreign medicines are very costly and not suitable to the climate of this country. Sir, I submit that the encouragement of the Ayurvedic system would not only act as a stimulus to the medicines made in this country, but would also improve the health of the people of this country. Similarly, the difficulties and deficiencies in the case of irrigation must also be removed. The assessment charged in cases of irrigated areas should be reduced to Rs. 20 per acre.

Primary and higher education should receive more liberal grants as are given in Western countries. Government should spend more on these items and mere assurances on the part of Government would be of no avail. The expenditure on police and on liquors should be reduced, and political prisoners should be given better food, better treatment and better facilities. Political prisoners should have separate jails and they should be given all the facilities that an ordinary European prisoner receives. The committees, that are appointed, from time to time, to suggest improvements in agriculture, should contain experienced agriculturists, who are aware of their conditions and difficulties, and only then, the condition of the agricultural classes would be improved. In order to carry out the above suggestions, sufficient money is required. All these white elephants (Europeans) which are freely grazing over the rich and fertile land of India will have to be tied up and such grazing should be prohibited. And if this is not done, there will be no other course open to Indians except to turn out these white elephants, their tusks taken out, and their trunks cut off.

The Government of India should remember that India will have to put an end to the autocratic and oppressive policy with which the bureaucracy is carrying out the administration, and if they want to carry out the administration peacefully, they must act in accordance with the opinion of the people.

This Budget, Sir, contains several things which require scathing criticism, but I propose to deal with these at the time of voting on Demands.

Recently, during the last year, the police and the military have committed excesses and *zulums* on ryots. India will never forget the disgraceful and shameless manner in which the police and the military assaulted eminent citizens and ladies of high families. The execution of the Sholapur prisoners and such other black acts of the bureaucracy will never be forgotten. The grants for extra police for places like Sholapur and others are placed before the Assembly and it is the duty of all the wise Members of this Assembly to throw out all these grants.

In conclusion, Sir, I would say that the Budget, which has been submitted to this Assembly, shows clearly not only the financial bankruptcy of the Government of India, but also the bankruptcy of intellect and statesmanship of those who framed the Budget and submitted to this House. This being the general discussion on the Budget, I need not bring to the notice of the Assembly the particular irregularities, and I leave them to other Members of the Assembly to speak on matters relating to figures.



LEGISLATIVE ASSEMBLY.

Wednesday, 11th March, 1931.

The Assembly met in the Assembly Chamber of the Council House at Eleven of the Clock, Mr. President in the Chair.

QUESTIONS AND ANSWERS.

REPORT OF THE 1921 COMMITTEE ON THE INDIAN ARMY.

905. ***Rai Sahib Harbilas Sarda:** (a) Will Government be pleased to place on the table of the House the report of the committee set up in India at the instance of the Commander-in-Chief, in 1921 or so, to which the Honourable Mr. G. M. Young referred in his answer to Mr. Gaya Prasad Singh's starred question No. 208 on the 29th January, 1931?

(b) Did the committee report that the officer ranks of the Indian Army could be completely Indianized in a certain number of years and also that the English Army in India could be replaced by an Indian Army in a certain number of years?

(c) Will Government place on the table of the House the Government of India despatch to the Secretary of State forwarding the report of the said committee?

(d) If Government do not wish to place on the table the report and the despatch, will Government give reasons for their unwillingness to do so?

Mr. G. M. Young: (a) and (b). The scheme contained in the Report was laid on the table of this House on the 17th February, 1931, in answer to Mr. S. C. Mitra's starred question No. 508.

(c) There was no correspondence by despatch on the subject of this Report: the correspondence relating to it was conducted by telegram.

(d) Government have already made public the recommendations of this Committee: they do not consider that any useful purpose would be served by publishing the correspondence that took place at the time.

Rai Sahib Harbilas Sarda: Was there no scheme sent with a despatch by the Government of India about that time?

Mr. G. M. Young: My Honourable friend is probably referring to the despatch about what is known as the 8-unit scheme, which was sent Home to England some months later than these discussions on the subject of the Shea Committee's Report. The 8-unit scheme was subsequently laid on the table of this House on the 14th March 1928. It was not of course a scheme of Indianisation. It was merely a scheme for posting Indian officers to 8-units.

ADMINISTRATION OF BUILDING AND DRAINAGE BYE-LAWS IN NEW DELHI.

906. ***Mr. Jagan Nath Aggarwal:** (a) Are Government aware that the New Delhi Municipal Committee have framed building and drainage bye-laws for private houses under the Punjab Municipal Act (which applies to the Delhi Province) for the whole of the area under their administration but do not apply them and do not exercise their powers under section 189 of the said Act for a considerable area under their administration?

(b) Is it a fact that the Land and Development Officer, Public Works Department, New Delhi, has been exercising such powers as are vested in the Municipal Committee, New Delhi?

(c) Will Government kindly inform the House if the Committee have passed any resolution delegating such powers or suspending their own function in the matter?

(d) If not, will Government kindly inform the House of the justification for such procedure on the part of the Land and Development Officer, New Delhi, and of the Municipal Committee, aforesaid?

Mr. G. S. Bajpal: (a), (b), (c) and (d). The New Delhi Municipal Committee has framed certain building and drainage bye-laws, but as the Committee, which is being re-organised, has not yet been fully reconstituted, the Land and Development Officer is at present doing some work in connection with building applications on its behalf, though the Committee has not passed any formal resolution upon the subject. The question of continuing this procedure will be considered when the Committee has been fully reconstituted.

APPOINTMENT OF ASSISTANT SUPERINTENDENTS OF POLICE IN THE MADRAS PRESIDENCY.

907. ***Mr. Uppi Saheb Bahadur:** Will Government be pleased to state:

(a) the names of candidates from Madras Presidency who were declared to have passed the Indian Police Service examination held by the Indian Public Services Commission, and also the number of marks secured by each of such candidates in the years 1928, 1929 and 1930; and

(b) the names of those who were appointed by Government as Assistant Superintendents of Police from among such candidates in 1928, 1929 and 1930?

The Honourable Sir James Orerar: (a) and (b). Recruitment to Indian vacancies in the Madras Presidency in the years mentioned was made by nomination from a list of candidates who were declared to be qualified by the Public Service Commission. I lay on the table a list showing their names and of those who were selected. The mark lists in the case of qualifying examinations are not published.

Year.	Names of candidates in alphabetical order who passed the qualifying examination.	Names of candidates selected for appointment.
1928	Eling, G. C. Jacob, M. C. Joseph, R. C. Middleton, W. E. Roshan Sahib, Y.	Middleton, W. E.
1929	Eling, A. C. Naidu, Mudhava Rao. Naidu, P. L. N. Nambiar K. K. A. Navar, C. P. Gopalan. Patro, A. V. Reddi, T. M. Sirajuddin, Muhammad.	Patro, A. V. Sirajuddin, Muhammad.
1930	Menon, M. Krishna. Nambiar, K. K. A. Nayar, C. P. Gopalan. Rai, A. N.	Menon, M. Krishna.

Mr. Uppi Saheb Bahadur: Is it a fact that in 1929 the candidate who stood first and got the highest marks was not selected?

The Honourable Sir James Orerar: I think that is correct.

Mr. K. P. Thampan: May I know why that was done?

The Honourable Sir James Orerar: Because the appointments were made by selection from a list of persons who had been declared qualified. It was not a competitive examination.

Mr. K. P. Thampan: So far as this candidate was concerned, why was he not selected?

The Honourable Sir James Orerar: The selections were made from a list of persons who had been declared qualified. It was not a competitive examination, but a qualifying examination for purposes of selection.

Mr. K. P. Thampan: My question was why one Mr. Nambier, who, it is said, stood higher in the list than those selected, was disqualified? Was he physically unfit? What was the matter with him? What better claim had those that were preferred?

The Honourable Sir James Orerar: I have already explained that it was not a competitive examination, in which those securing the highest marks were necessarily appointed. It was a qualifying examination for purposes of selection.

Mr. Amar Nath Dutt: Is it the policy of the Government to select the inefficient men and not those who are efficient?

The Honourable Sir James Orerar: No, Sir.

Mr. K. P. Thampan: Is it a fact that the Malayalees are disqualified for admission into superior appointments in the Central Government?

The Honourable Sir James Orerar: No, Sir.

Mr. K. P. Thampan: Then, why was Mr. Nambiar who stood higher in the examination and was fit otherwise, also disqualified? Why do you hold this farce of a selection examination?*

POSTAL SUPERINTENDENTS APPOINTED IN THE MADRAS PRESIDENCY.

908. ***Mr. Uppi Saheb Bahadur:** (a) Will Government be pleased to state how many Postal Superintendents were appointed in the Madras Presidency from 1922 to 1931?

(b) How many of them were Brahmins, non-Brahmin Hindus, Muslims, Christians and depressed classes?

Mr. H. A. Sams: (a) Fifteen.

(b) Brahmins—7.
Non-Brahmin Hindus—5.
Christians—3.
Muslims—Nil.
Depressed classes—Nil.

APPOINTMENT OF AN INDIAN AS POSTMASTER GENERAL IN MADRAS.

909. ***Mr. Uppi Saheb Bahadur:** (a) Will Government be pleased to state the reason why no Indian has ever been appointed as the Postmaster General of the Madras Presidency?

(b) Is there any other province in India where the said post is reserved for non-Indians?

Mr. J. A. Shillidy: (a) and (b). The Postmasters-General belong to an All-India Cadre. Their postings are made according to the requirements of the service. No particular postal circle is reserved for a Postmaster-General of any particular nationality.

Mr. Uppi Saheb Bahadur: May I know whether in the Postal Department in Madras or other provinces there are no Indians qualified to fill the place of Postmaster-General in Madras.

Mr. J. A. Shillidy: There may be some qualified to hold the post of Postmaster General. I did not say that there is nobody qualified.

Kunwar Hajee Ismail Ali Khan: He means from the rank of Indians.

Mr. J. A. Shillidy: I have not said there are no Indians qualified to hold the post.

HIGH PAY OF THE DIRECTOR OF TELEGRAPHIC ENGINEERING.

910. ***Mr. Uppi Saheb Bahadur:** (a) Will Government be pleased to state the necessity of such a highly paid officer as Director of Telegraphic Engineering?

(b) What are the special duties of such a highly paid officer?

(c) Is it a fact that he is only a technical adviser to the Postmaster General?

(d) Have Government considered the question of employing a Sub-Divisional Engineer to do the work?

(e) Did Government ever consider the advisability of putting such a highly paid officer under another who gets almost equal salary?

Mr. J. A. Shillidy: (a) and (b). To control the construction, installation and maintenance of lines, apparatus and plant.

(c) No.

(d) and (e). Government have considered the question in all its aspects and have decided that the posts should continue.

PAY OF POSTAL SIGNALLERS AND TELEGRAPHISTS.

911. ***Mr. Uppi Saheb Bahadur:** Will Government be pleased to state:

(a) whether there is any difference between the nature of work of the postal signallers and of the telegraphists;

(b) what is the starting pay of the telegraphist and that of the postal signaller;

(c) what is the maximum pay of each section;

(d) if there is any disparity in the pay of each of this section, what the reasons for such disparity are;

(e) of the telegraphists and postal signallers how many are (i) Anglo-Indians, (ii) Hindus, (iii) Mussalmans and (iv) other communities?

Mr. H. A. Sams: (a) and (d). The attention of the Honourable Member is invited to part (b) of the reply given in this House on the 26th September, 1921, by Colonel Sir Sidhey Crookshank to Mr. B. H. Jatkar's unstarred question No. 41, and also to the second sentence of part (c) of the reply given in this House on the 24th September, 1929, by Mr. P. G.

Rogers to Mr. Amar Nath Dutt's starred question No. 808. The difference in work justifying a difference in pay will be found to be fully explained in Sir Sidney Crookshank's reply.

(h) and (c). It is presumed that the Honourable Member requires information in respect of a Station Service Telegraphist and a postal signaller stationed in the same locality. The starting pay of the former varies from Rs. 55 to Rs. 90 while that of the latter from Rs. 35 to Rs. 70 according to localities. Similarly the maximum pay of a Station Service Telegraphist varies from Rs. 145 to Rs. 180 while that of a postal signaller varies from Rs. 135 to Rs. 170.

(e) On the 31st December, 1929, up to which date information is available, the cadre of telegraphists was composed of 1,522 Anglo-Indians, 918 Hindus, 77 Mussalmans and 221 belonging to other communities. Postal signallers do not form a separate cadre but are borne on the general cadre of clerks. On the 31st December, 1929, the communal composition of the clerical staff of the Department was 364 Anglo-Indians, 23,835 Hindus, 5,088 Mussalmans and 2,311 belonging to other communities.

NON-ACCEPTANCE OF LOWEST TENDERS FOR SUPPLY OF POSTAL STORES
IN MADRAS.

912. ***Mr. Uppi Saheb Bahadur:** (a) Will Government be pleased to state whether they or the Postmaster General of Madras ever received complaints regarding the method of accepting tenders by the Postal Department in Madras?

(b) Is it a fact that in Madras tenders quoting lower prices are rejected and tenders quoting higher prices are accepted?

(c) Will Government be pleased to call for and place on the table of the House all the quotations of tenderers with names of Post Office supplies in the Madras Presidency for the last two years?

(d) Is it a fact that tenders of a particular community, even if they were the highest, were accepted in preference to lower quotations of other communities?

Mr. H. A. Sams: Information is being collected and will be supplied to the Honourable Member in due course.

TRANSFER TO MUSLIMS OF A MUSLIM GRAVEYARD AT PESHAWAR.

913. ***Khan Bahadur Haji Wajihuddin:** (a) With reference to the reply given by Government to starred question No. 283, asked on the 50th January, 1929, by Mr. Ismail Khan, will Government be pleased to state if it is a fact that:

- (i) in 1926, the Peshawar Cantonment Board appointed a special committee to determine the exact boundaries and area of the Muslim graveyard situated outside Dabgari Gate in Peshawar Cantonment;
- (ii) the special committee submitted certain recommendations determining the exact area and boundaries of the cemetery;
- (iii) the Cantonment Board accepted the recommendation of the special committee and decided that the land should be dealt with according to Muhammadan law governing graveyards;

- (iv) the Cantonment Board referred the question of transfer of the land to the Muslims, to the Government of India;
 - (v) in January, 1927, the Government of India accepted the recommendation of the special committee regarding the demarcation of boundaries and the area of the land determined by it; and
 - (vi) in 1929, the Government of India decided that the land should be properly demarcated and entrusted to the Honourable the Chief Commissioner of the Province, for custody and disposal?
- (b) If replies to parts (i) to (vi) above be in the affirmative, do Government propose to inquire whether the recommendation of the special committee and the orders of Government mentioned at parts (v) and (vi) above have been carried out? If not, why not?

Mr. G. M. Young: (a) Yes.

(b) Government are informed that it is impossible to give effect to the recommendations of the Special Committee as no Muslim Association is prepared up till now to take over and maintain the land on the conditions required by the Cantonment Board.

TRANSFER TO THE AWAQAF COMMITTEE OF PESHAWAR OF A MUSLIM GRAVEYARD AT PESHAWAR.

914. ***Khan Bahadur Haji Wajihuddin:** (a) Will Government be pleased to state if it is a fact that:

- (i) the Awaqaf Committee of Peshawar (Trustees in charge of charitable endowment properties) is a body recognised by Government and registered in 1925 under Act XXI of 1860; and
- (ii) several charitable endowment properties have, since 1925, been adjudged to that institution by law courts for management?

(b) If the replies to parts (i) and (ii) above are in the affirmative, will Government be pleased to state if there is any valid reason why the management of the Muslim graveyard situated outside Dabgari Gate in Peshawar Cantonment, should not be entrusted to the body mentioned at part (i) above?

Mr. G. M. Young: (a) Government are prepared to accept the facts as stated in this part of the question.

(b) I would invite the attention of my Honourable friend to the reply which I have just given to the previous question.

TRANSFER TO MUSLIMS OF A MUSLIM GRAVEYARD AT PESHAWAR.

915. ***Khan Bahadur Haji Wajihuddin:** (a) Will Government be pleased to state if it is a fact that, in spite of the orders officially communicated by the Deputy Commissioner, Peshawar, to the Executive Officer, regarding the demarcation of the Muslim graveyard (situated outside Dabgari Gate in the Peshawar Cantonment) determined by a special committee and accepted by Government of India in January, 1927, the Executive Officer has refused to comply with Government orders issued in December, 1929, relating to its demarcation and entrusting it to the Honourable the Chief Commissioner of the Province for custody and disposal?

(b) If the reply to part (a) above be in the affirmative, will Government be pleased to state why the orders of the Government of India have been disregarded?

Mr. G. M. Young: (a) No.

(b) Does not arise.

RENTING OF SITES ON A MUSLIM GRAVEYARD AT PESHAWAR.

916. ***Khan Bahadur Haji Wajihuddin:** (a) Will Government be pleased to state if it is a fact that the Cantonment authority of Peshawar was in the habit of letting on rent the Muslim graveyard situated outside Dabgari Gate in the Peshawar Cantonment, for a considerable number of years, as godowns, shops, etc.?

(b) If the reply to part (a) above be in the affirmative, will Government be pleased to state the total amount of mesne profits realized annually and credited to the accounts of the Cantonment fund?

Mr. G. M. Young: The information has been called for and will be supplied to the Honourable Member on receipt.

APPOINTMENT OF A MUSLIM AS DIRECTOR OF PUBLIC INSTRUCTION IN THE NORTH-WEST FRONTIER PROVINCE.

917. ***Khan Bahadur Haji Wajihuddin:** (a) With reference to reply given by Government to questions Nos. 600, 601, and 602, asked on the 17th September, 1929, by Mr. Muhammad Ismail Khan, will Government be pleased to state if it is a fact that the present Director of Public Instruction in the North West Frontier Province retires from the service in November next?

(b) If the reply to the above question be in the affirmative, will Government be pleased to state whether a local Indian Muslim Educational Service Officer, seniormost in the cadre possessing a knowledge of the requirements of local educational problems by having served in the country for considerable number of years is available for the appointment?

(c) If the reply to part (b) above be in the affirmative, do Government propose to consider his claims to the appointment? If not, why not?

(d) If the reply to part (b) above be in the negative, do Government propose to select an Indian Educational Officer belonging to another Province? If so, what consideration will form the basis of selection suitable for the country?

The Honourable Khan Bahadur Mian Sir Fazl-i-Husain: (a) and (b). Yes.

(c) and (d). The appointment rests with the Chief Commissioner, who will, no doubt, give due consideration to the claims of the officer referred to.

**APPOINTMENT OF A MUSLIM AS EXECUTIVE ENGINEER, IRRIGATION
DEPARTMENT, MALAKAND DIVISION.**

918. ***Khan Bahadur Haji Wajihuddin:** (a) Will Government be pleased to state if it is a fact that:

- (i) an appointment of an Executive Engineer in the Irrigation Department in the Malakand Division of the North West Frontier Province has fallen vacant for six months;
- (ii) it is proposed to appoint a junior non-Muslim Provincial Service officer; and
- (iii) a local Muslim senior and qualified Provincial Service officer is available in the Division for the appointment?

(b) If the reply to parts (i) to (iii) be in the affirmative, do Government propose to consider the claims of the Muslim officer mentioned in part (iii) above? If not, why not?

Mr. J. A. Shillidy: (a) and (b). Government have no information.

COMPLAINT AGAINST RAILWAY OFFICIALS ON THE NORTH WESTERN RAILWAY

919. ***Mr. Abdul Matin Ochaudhury:** (a) Are Government aware that on the 21st January, 1931, four ladies, second class passengers, with their children and a servant, waited for train No. 35 Up at Chak Jhumra station on the North Western Railway?

(b) Is it a fact that before the arrival of the train a request was made to the Station Master, Chak Jhumra, to see that the ladies get into the train?

(c) Is it a fact that this 35 Up came on the line further from the platform and passengers had to cross the lines to get on the train?

(d) Is it a fact that there was no second class ladies' compartment in the whole of the train, while the second class male compartment was full?

(e) Is it a fact that finding the second class compartment full and no second class ladies' compartment, these ladies boarded the 1st class compartment?

(f) Is it a fact that by the time half their luggage was on the train the guard blew the whistle?

(g) Is it a fact that no notice was taken of the entreaties of the ladies and the servant with a trunk, a bed and their tickets was left behind?

(h) Is it a fact that at Sangla Station the ladies got down and brought the fact to the notice of the Station Master?

(i) Is it a fact that at Sangla Station the ladies were charged excess fare for travelling in higher class (*vide* Receipt No. N. W. R. 686468—112556, dated the 21st January, 1931)?

(j) Is it a fact that their servant joined them by the next train from Chak Jhumra, that they all took another train to Lahore, and missed the Bengal Express bound for Calcutta?

(k) Is it a fact that Messrs. Md. Sharif, Executive Engineer, Lyallpore, Pir Wajid Ali Shah Sajada Nashin P. O. Burj and Jamal Shah M. T. 1220 Sangla Hill T. T. E. protested against this conduct of the guard?

(l) Is it a fact that the guard after making the report made the following remarks "I know how to deal with you people"?

(m) Is it a fact that a letter of complaint has been received by the Agent, North Western Railway, in this connection?

(n) If the answer to part (m) be in the affirmative, what action has been taken in this matter?

(o) If the answer to part (n) be in the negative, are Government going to take any action?

Mr. A. A. L. Parsons: Government have received no information regarding this incident. In any case it is within the competence of the Agent of the North Western Railway to deal with it and it does not call for action by Government.

UNSTARRED QUESTIONS AND ANSWERS.

EMPLOYMENT OF MUSLIMS IN THE OFFICE OF THE ASSISTANT DIRECTOR OF ORDNANCE SERVICES.

285. Mr. Uppi Saheb Bahadur: Will Government be pleased to lay on the table a statement showing the number of Superintendents, assistants, and clerks in the office of Assistant Director of Ordnance Services (Provision) at Army Headquarters and the number of Muslims in each grade separately excluding temporary clerks?

Mr. G. M. Young: With your permission, Sir, I propose to answer questions 285 and 289 together.

The information is being obtained and will be furnished to the Honourable Member on receipt.

286—288.*

APPOINTMENT OF MUSLIMS AT ARMY HEADQUARTERS.

†289. **Mr. Uppi Saheb Bahadur:** Is it a fact that clerks dealing with civilians Indian military establishments and clerical establishments of arsenals and depots at Army Headquarters are non-Muslims and that no Muslim has been appointed to these posts for the last 20 years? If so, do Government intend to consider the advisability of replacing the non-Muslim clerks by Muslims?

APPOINTMENT OF MUSLIMS AS JEMADARS IN ARSENALS.

290. Mr. Uppi Saheb Bahadur: Is it a fact that all Jemadars serving in arsenals are non-Muslims? If so, are Government prepared to promote some Muslims to make up the long felt deficiency and fix a tenure of appointment just like subedar-majors and resaldar-majors of the Indian Army?

Mr. G. M. Young: The answer to the first part of the question is in the affirmative. There is a fixed establishment of Jemadars, to which promotions can be made only as vacancies occur without reference to the community to which candidates belong. Government are not prepared to alter the rule under which a Jemadar may normally remain on the active list until he attains the age of 55 or completes 32 years' service.

*These questions were withdrawn by the questioner.

†For answer to this question, see answer to question No. 285.

APPOINTMENT OF MUSLIMS AS HEAD ASSISTANTS IN ARSENALS.

291. Mr. Uppi Saheb Bahadur: Is it a fact that all Head Assistants in arsenals and depots are non-Muslims? If so, are Government prepared to reserve one-third of the total appointments for Muslims and stop the promotion of non-Muslims till Muslims get their due share?

Mr. G. M. Young: Yes. The appointment of Head Assistant is made by selection. Government cannot therefore reserve any percentage for any particular community.

APPOINTMENT OF MUSLIMS AND SIKHS AS STOREMEN IN ARSENALS.

292. Mr. Uppi Saheb Bahadur: (a) Will Government please state the total number of storemen appointed during the last six months and the number of Muslims and Sikhs who have been selected as such?

(b) Is it a fact that the majority of Muslims appointed as storemen were already serving as permanent or temporary clerks in arsenals and depots?

Mr. G. M. Young: (a) The Honourable Member is referred to the reply I gave on the 11th February to starred question No. 435.

(b) No, Sir.

APPOINTMENT OF MUSLIMS AS ASSISTANT STORE KEEPERS IN ARSENALS.

293. Mr. Uppi Saheb Bahadur: Is it a fact that a new scheme of assistant store keepers has been introduced in arsenals and depots and, if so, do Government propose to consider the claims of the Muslim community when making up these appointments?

Mr. G. M. Young: The present scheme was started in 1928. The instructions issued by Government regarding the redress of communal inequalities are being followed by the military authorities concerned.

PERCENTAGE OF VARIOUS COMMUNITIES EMPLOYED IN ARSENALS.

294. Mr. Uppi Saheb Bahadur: Will Government please state if any percentage of the Muslims, Hindus and Sikhs, etc., has been fixed for employment as clerks, storemen and assistant store keepers in arsenals and depots? If so, will Government please place the figures on the table?

Mr. G. M. Young: No, Sir.

LOCAL CLEARING HOUSE FOR ENEMY DEBTS.

295. Mr. Bhuput Singh: Will Government be pleased to state:

- (a) the functions of the Local Clearing House for enemy debts;
- (b) the duties that are performed by the officers;
- (c) the names and salaries of the officers;
- (d) the monthly establishment charges incurred on behalf of the office;
- (e) the number of cases that are yet to be disposed of;
- (f) the time by which the office is likely to be abolished;

- (g) whether the officers have got telephones at their residences;
- (h) whether the charges for their private telephones are borne by Government;
- “(i) when the office was first started; and
- (j) the number of enemy debts cases disposed of by the office in 1929-30 and 1930-31?

Sir Lancelot Graham: (a) The functions of the Controller, Local Clearing Office, are, as laid down in the Peace Treaties with Germany and with Austria and Hungary, to clear debts arising out of pre-war transactions or contracts between British nationals in India, including subjects of Indian States; and the nationals of Germany and of Austria and Hungary, and further to dispose of claims for reparation compensation suffered by nationals of India for loss and damage caused by enemy action during the war, and generally to wind up cases in connection with the liquidation in India of property rights and interests of enemy subjects.

(b) To examine and dispose of all cases of the nature referred to above and to conduct the correspondence connected therewith; and further to advise the Government of India on all matters arising out of the Peace Treaties negotiated at the end of the last War.

(c) Since 1st October, 1928, when the post was vacated by Mr. Kisch on its being found that from that date the state of the work no longer required the attention of a full-time officer, the work has been performed by Mr. Webb-Johnson, 2nd Solicitor, in addition to his own duties, on a special allowance of Rs. 250 per month.

(d) Rs. 963 per month, which figure will be reduced by Rs. 100 per month from 1st April, 1931.

• (e) 2,097. This figure does not include certain reparation claims from lascars, the time for the submission of which has been extended up to the end of March, 1931.

(f) The office from the beginning has been a temporary one and its retention has for the present been sanctioned up to the 31st March, 1932. It is not possible at present to say when the office is likely to be abolished.

(g) and (h). As explained above, no whole-time officer is employed on this work. Consequently, the questions about telephones do not arise.

(i) July, 1920.

(j) The number of cases finally disposed of in 1929 was 642; in 1930 was 2,283 and in 1931, up to date, is 588. These figures include reparation claims.

TRAVELLING ALLOWANCE PAID TO WITNESSES BEFORE THE HAJ ENQUIRY COMMITTEE.

296. **Maulvi Badi-uz-Zaman:** (a) Is it a fact that travelling expenses have been paid by Government to all the witnesses who were invited to give oral evidence before the Haj Enquiry Committee? If not, why was distinction allowed to be made?

(b) Will Government be pleased to lay on the table a statement showing amount paid to each witness?

The Honourable Khan Bahadur Mian Sir Fazl-i-Husain: (a) Yes. Travelling expenses in accordance with the rules in force were paid to all witnesses invited to give oral evidence who asked for such payment. In a few cases where there was doubt as to the amount payable or the propriety of payment, the matter was decided by the Chairman of the Committee.

(b) Government consider that the value of such a statement would not be commensurate with the labour and expense which its preparation would involve.

TRIAL OF CASES BY MEMBERS OF CANTONMENT BOARDS.

297. **Maulvi Badi-uz-Zaman:** (a) Is it a fact that the Local Government of the United Provinces have issued a circular to the effect that it is not desirable that a Magistrate, who is a member of a Cantonment Board, should try cases launched by that Board against Cantonment residents under the Cantonment Act 1924 and, if so, will Government be pleased to lay a copy of the circular on the table?

(b) Will Government be pleased to state:

- (i) to what extent the said order has been complied with in the Cantonments of Benares, Cawnpore, Meerut, Lucknow and Agra;
- (ii) how many Magistrates in the aforesaid cantonments are members of their respective Cantonment Boards and whether some of them are still trying cases launched by the respective Cantonment Boards against the residents of the same cantonments and, if so, why; and
- (iii) what action do Government propose to take in order to extend the application of similar orders in other provinces of India?

Mr. G. M. Young: The matter is within the discretion of the Local Government who have been asked for a report.

EXEMPTION OF CERTAIN CLERKS FROM THE PUBLIC SERVICE COMMISSION EXAMINATION.

298. **Mr. S. C. Mitra:** Will Government be pleased to state whether they intend to exempt clerks who have served for more than one year from the examination of the Public Service Commission?

The Honourable Sir James Orerar: I would refer the Honourable Member to the reply given on 6th March to part (b) of his Unstarred Question No. 265.

MESSAGE FROM THE COUNCIL OF STATE.

Secretary of the Assembly: Sir, the following Message has been received from the Council of State:

"I am directed to state that the Council of State has, at its meeting held on the 10th March, 1931, agreed without any amendments to the following Bills which were passed by the Legislative Assembly at its meetings held on the 21st January, 2nd February and 18th February, 1931, namely:

1. A Bill further to amend the Indian Ports Act, 1908, for certain purposes,
2. A Bill to make special provision for the administration of the port of Vizagapatam, and
3. A Bill further to amend the Indian Merchant Shipping Act, 1923, for certain purposes."

THE GENERAL BUDGET—LIST OF DEMANDS—*contd.*

DEMAND No. 17—TAXES ON INCOME.

Mr. President: The House will resume further consideration of the Demands for Grants.

The Honourable Sir George Schuster (Finance Member): Sir, I beg to move:

"That a sum not exceeding Rs. 71,75,000 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending the 31st day of March, 1932, in respect of 'Taxes on Income'."

Mr. President: I should like to ask Honourable Members whether they will agree to allow Mr. Heathcote to move now out of its turn the motion of which he has given notice and which appears as No. 9 on the Late List No. II. Is it the pleasure of the House that Mr. Heathcote should be allowed to move this motion now? As many as are of that opinion will say "Aye". (*Several Honourable Members:* "Aye.") Those of the contrary opinion will say "No." (There was no Honourable Member who said "No.") Mr. Heathcote.

Undue Incidence of Income-tax.

Mr. L. V. Heathcote (Nominated Non-Official): Sir, I beg to move:

"That the Demand under the head 'Taxes on Income' be reduced by Rs. 100."

I consider myself to some extent fortunate in the circumstances in which I am allowed to move this cut. Had the Budget been proposed by an Indian Finance Minister responsible to this House, I should have felt some natural hesitation in making the criticisms which I propose to make of the income-tax proposals in case I should be accused of bringing racial matters into this question. As the Honourable the Finance Member is just as much a Britisher as I am, I hope the House will not accuse me if I make the criticism that the income-tax proposals, which we have before us, will fall very heavily and unduly heavily on the European and Anglo-Indian community. I think it will be agreed that Europeans and Anglo-Indians suffer from a peculiarity that they are forced to maintain a minimum standard of living, which is very much higher than that, which is forced upon the Indian. I should not like it to be thought that I welcome a reference to the low standard of living among Indians. It should be patent to everyone that the smallest increase in purchasing power among Indians will be very welcome to us, not only for itself but for the great increase in our trade, which will result therefrom. But the fact does remain that our cost of living is undoubtedly higher than the cost of living of the Indian. But for all that, we pay income-tax on exactly the same scale as they do. It will probably be agreed that one of the canons of good taxation is that the incidence of the tax should fall in a manner which is commensurate with the ability to pay; and the ability to pay can, I believe, only be measured by the difference between the income and the cost of subsistence, and in our case the cost of subsistence must include those extra expenses, to which we are put, in accumulating such a sum as will enable us to live without work, when we retire from India. Throughout the scale the European must therefore pay more on the difference between his income and his cost of subsistence than the Indian. This state of

[Mr. L. V. Heathcote.]

affairs seems to me to be extremely obvious, so obvious that it would justify a special differentiation being made between the European and the Indian in some such way as is already accepted to be necessary for the Hindu undivided family. But I have no intention of asking this House to join with me in making an appeal to the Finance Member to re-arrange his income-tax proposals so as to grant us special treatment. I will wait for the day to come when the Finance Minister is an Indian, responsible to this House, and then the claim will be made, and then I have no doubt that it will receive the consideration which it deserves. But, if I do not intend to complain that special treatment has not been allowed for the European compared to the Indian, what is the object of my moving this cut? Well, there are two objects. One is to ventilate the grievance, which I feel very strongly, that the income-tax proposals will affect a very large section of the population of this country, and secondly, that no attempt seems to have been made at all in framing the Budget to tap new sources of revenue, so that the burden of taxation may be spread as widely as possible and, in these particular circumstances, in as desirable a manner as possible. I am afraid that when dealing with a matter of this nature, it is impossible altogether to refrain from quoting figures, but I hope to be able to make my points with as few references to figures as possible. If Honourable Members will refer to pages 8 and 9 of the Explanatory Memorandum, which was issued by the Financial Secretary, they will find that, on the basis of the existing scale of taxation, and allowing for the reductions in income, which are inevitable in these times of depression, the net sum to be paid in income-tax in 1931-32 is expected to amount to Rs. 10½ crores. The increased yield from the proposals now before us, as can be seen from page 44 of the same Memorandum, is put at Rs. 4½ crores (4.54 crores net.). This represents an increase of 44 per cent. and means, in fact, that incomes are to be taxed on the average by 44 per cent. more than they are at present. If we turn to the increases proposed in the various grades, we find that in the first grade, that is, on incomes ranging from Rs. 2,000 to Rs. 5,000, the increase is from 5 pies to 9 pies, an increase of 80 per cent.; whereas in the second grade where it is from 6 pies to 11 pies, the increase is as much as 83 1/3 per cent. In the third grade the increase is from 9 pies to 14 pies, an increase of 55½ per cent. In the fourth grade the increase is 60 per cent. and in the fifth grade the increase is 46 per cent. It is only in the sixth grade, where the incomes are from Rs. 30,000 to Rs. 40,000 that the increase drops actually below the average increase on all incomes. The intention is admittedly that, with the increases that are proposed for super-tax, there should be a fair and level gross income-tax increase to be paid on all classes of income. But I think the figures that I have quoted show quite clearly that this increase is neither fair nor level and, in fact, it hits the man with a small income very much more hardly than the man with a high income. That this is the case, can be proved further, if it were necessary to prove it, by reference to the income-tax which would be realisable in India compared to England. If we take as a representative case a married man with 2 children in both countries, we find that with the present proposals a man in India with an income of Rs. 2,000 a year which is the same as £150 a year, would pay an income-tax of £7; whereas in England he would pay nothing. In India, if he earns an income of Rs. 5,000 a year or £375 a year, he would pay £21-10-0 in income-tax; in England he would pay nothing. In India, if he earns Rs. 10,000 a year

or £750, he will pay £54-14-0, whereas in England he would pay £34. I think it will be accepted that England is one of the most heavily taxed countries in the world, probably the heaviest. And the standard of living in England, even amongst Western countries, is high, and here in India the standard of living is very low. But we find that it is only when we reach incomes of Rs. 15,000 a year that the taxation in India is less than what it is in England. So, I hope that with this explanation of what is implied in these proposals before them, Members will agree with me that it is nothing but proper that we should voice a very strong protest to the Government against their proposals, on the grounds that they will hit a very large section of the people of this country, not only heavily, but unduly heavily. If I remind Members of what I have said of the peculiar conditions in which Europeans and Anglo-Indians live, they will realise with what dismay the present proposals have been greeted by our countrymen. But it is no use criticising Government's proposals, however iniquitous they may be, unless we are prepared to indicate quite clearly in what directions we think that their effects can be ameliorated. Although in moving a cut on the Income-tax Demand, I am perhaps not entirely in order in referring to possible amendments, which might be made, I think the House will agree that the longer the time we can give to the Government to revise their ideas, the better reception is likely to be given to constructive amendments when they actually come to be made on the Finance Bill. And so I hope that the House will allow me to indicate certain directions in which I think proposals could be made.

The first suggestion, that I have to make, is that a system of relief should be introduced by allowing the first thousand rupees of income to go free. This would be of very great benefit to the poorer classes in India. I do not want to take up the time of the House in quoting figures, but Members will understand better if I do quote one or two. If we take a man midway between the Rs. 2,000 and Rs. 5,000 level in the first grade, that is, a man drawing Rs. 3,500, today he pays Rs. 91-2-4. Under the present proposals he has to pay Rs. 164-1-0, an increase, as I have already said, of 80 per cent. But if the first thousand rupees of his income were allowed free, he would only pay Rs. 117-3-0, an increase of 28½ per cent. In the second grade, the increase, instead of being 83 1/3 per cent., as is now the case under the present proposals, would be reduced to one of 60 per cent. and in the third grade would be reduced from one of 55 per cent. to one of 34 per cent., and the larger the income the smaller the significance of the relief. Alternatively, we can have and in many ways it might be regarded as a better proposal—the first four grades reduced by 2 pias in the rupee. The first proposal of allowing the first thousand rupees free would, I believe, be more expensive than the second one. These are the proposals which I have to make to reduce the heavy incidence of the tax.

But if the income-taxes bear unduly heavily on certain classes of the community, there seem to me to be some classes which escape perhaps unduly lightly. I would refer first of all to those sections of the community who draw their income from land.

Diwan Bahadur T. Rangachariar (South Arcot *cum* Chingleput: Non-Muhammadan Rural): Why don't you buy land?

Maulvi Muhammad Yakub (Rohilkund and Kumaon Divisions: Muhammadan Rural): Don't they pay land revenue?

Mr. L. V. Heathcote: Well, I agree with the view which has been expressed by the Taxation Inquiry Committee that there is no justification for the continuance of the present system, in which India is unique, namely, of allowing agricultural incomes to go free of income-tax. I can at least appreciate that, with the Government constituted as it is at present, the Honourable the Finance Member would be unlikely to risk a breakdown of his Bill by the introduction of such a controversial measure as a tax on incomes derived from land. I do not propose that such a measure should be introduced. But, there is another side to this question, which I think would not give rise to so much controversy, and that is, I think that income arising from land should be taken into account when fixing the grade in which an assessee should fall for the purpose of taxing his income which is not derived from land. If we keep before us that the incidence of taxation should be commensurate with the ability to pay, I hope that Honourable Members of the House will agree that a man drawing, say, a lakh of rupees a year from land and having a subsidiary income of Rs. 10,000 should on that income of Rs. 10,000 pay more than a man whose sole income is Rs. 15,000. In the one case, the man is undoubtedly rich; in the second case, he is by no means rich, and yet while he has an income of a lakh of rupees a year from land, he pays at a lower rate on his Rs. 10,000 derived from investments than his less fortunate fellow, who receives only a total income of Rs. 15,000.

I have heard it said that a change of this nature would bring in very little revenue to the Government. It may bring in very little revenue, but that does not seem to me to be an adequate reason for not getting such revenue as it does bring in. "Little drops of water, little grains of sand make the mighty ocean, etc."

In another respect, it seems that the Honourable the Finance Member is allowing one section of the country to get off more lightly than many others, and that is in his having made no proposal to reduce the level at which the incomes of Hindu undivided families become liable to super-tax. That level today is Rs. 75,000, and since it is proposed to reduce the level of other sections of the population—it is proposed to reduce it from Rs. 50,000 to Rs. 30,000—I certainly believe that it would not be otherwise than just to ask the Hindu undivided families to have their level reduced from Rs. 75,000 to Rs. 45,000. I think Honourable Members would be surprised at the extraordinarily small number of Hindu undivided families that pay super-tax. If they will refer to the Central Board's Report on income-tax for the year 1929-30, they will find on page 31 that there were only 330 Hindu undivided families who paid super-tax, and in the first grade of Rs. 75,000 and over, there were only 148 families. Although, it may be that a lowering of the level would not bring in more than a few lakhs, still we cannot afford to disregard even a few lakhs in the present very difficult circumstances.

These are constructive proposals, in regard to altering the actual income-tax proposals. So, I am brought to my other point, and that is that the Honourable the Finance Member seems to have made no attempt at all to tap new sources of revenue. I have not been able to find a single new source of revenue which it is intended to explore in this Budget. I think that a casual outsider, who did not know the Honourable the Finance Member for the hard worker and slave driver that he is, would have thought that his Budget proposals had been made within about an hour of making his speech. He has dipped his hand more heavily into the pockets of those

who have been paying heavily already, but has made no attempt to discover who are not at present paying their fair share of the burden. I believe it has been said that in times of emergency the Honourable the Finance Member would not be justified in introducing new measures of taxation, in case in the haste of their introduction they might fall unduly heavily on certain classes and instead that it is better to accept the fiscal system as the best one and merely to increase the rates of taxation which are levied under it.

Another objection raised to introducing new sources of revenue is that in the early stages, the cost of collection is too great. I do not know whether the Honourable the Finance Member holds to either of these views and if he does, I should be very chary of setting up my opinion against his, but actually, for what it is worth, I take exactly the opposite view. I think it will be agreed that the wider the basis of taxation, the more likely is the system to be acceptable; the more wide the basis of taxation, the smaller the tax in any individual case, and if the tax is small, any unfair incidence which it places upon particular communities is reduced. If we take the income-tax as a fair example, it has fallen undoubtedly unduly heavily on the European community from the day it was introduced. While the incidence was light, I do not think that any of us would care to raise any particular protest against it; and so when large sums have to be raised, I feel myself that the greater the number of new taxes which can be introduced, the smaller will be the unfairness with which they will fall on particular classes of this country.

Another advantage of introducing additional heads of taxation in times of emergency is that experience is gained in the working of those new taxes so that should the time come, as it very well may, when those tax-payers are to be called upon to subscribe a larger portion of the country's revenue, we shall know, and the Government will know, better where they fall unduly heavily and where amendments of the tax can best be introduced. This seems to be particularly important at the present time. An assurance has been given in another place that these income-tax proposals are only temporary and we may expect to see a reduction, perhaps next year. But do we know that next year the position will be any better? Trade depression is likely to remain just as strong for at least another year, and should India suffer from a bad monsoon—we have not had a really bad monsoon for a good many years—there are the prospects of another large deficit. We shall ask the Finance Member to redeem his promises and reduce the income-tax, but he will be able to reply that the causes for the deficit could not have been foreseen by anybody and in those circumstances it is not fair to ask him to redeem his promises. In the meantime another year will have gone by; new taxes have not been introduced and if it is difficult to introduce them this year, it is not likely that it will be any easier next year. And so I come to the possibilities of raising revenue under new heads, and I really might only refer to the Taxation Inquiry Committee's Report, where several heads are mentioned as likely to provide some extra revenue. The suggestion has been made that *pan* leaf should be taxed and that I find has been dealt with by the Taxation Inquiry Committee along with tobacco. Possibly a small acreage tax could have been introduced on *pan*. I have had no time to ascertain what the acreage under *pan* is in this country, but I imagine it is fairly large. Another suggestion that has been made is that aerated waters should be taxed as they are at present taxed in England, by means of a label fixed on the mouth of the bottle.

Maulvi Muhammad Yakub: Butter and eggs also.

Mr. L. V. Heathcote: I do not know if they are taxed.

Maulvi Muhammad Yakub: They ought to be.

Mr. L. V. Heathcote: Possibly to introduce a tax of that nature would necessitate finding a very large staff to administer it, but it would be a comparatively easy matter in my opinion to tax the cylinders of compressed carbonic acid gas used for making aerated waters. Another suggestion has been made that an excise duty should be placed upon matches. As we all know, that has been considered before and turned down on the ground that it would lead to the springing up of a large number of manufacturers of matches in Native States. As a permanent measure of taxation that would I believe be quite sufficient to put it out of court, but as a temporary measure, and definitely as a temporary measure, I doubt if it would be worth anyone's while to invest large sums in building factories in Native States in places which are not situated so that the production of matches was economically justified without the tax. Death duties were also mentioned by the Taxation Inquiry Committee.

Mr. Gaya Prasad Singh (Muzaffarpur *cum* Champaran: Non-Muhamadan): Why not a tax on foreign cigars and cigarettes?

Mr. L. V. Heathcote: They are taxed already. I think I have said enough to indicate at least some lines upon which further revenue might have been introduced which would more than compensate for modest reductions in the income-tax proposals to which my community very strongly object. With these words I move my cut.

Diwan Bahadur T. Rangachariar: Sir, it is better that I should intervene at this early stage in order to indicate what view I take of the proposals of my Honourable friend. The net result of an analysis of my Honourable friend's very lucid speech is a mixture of evil and good, more of evil than of good. Sir, he began very well. I am quite in sympathy with the first portion of my Honourable friend's speech. It is a very excellent proposal, not only excellent but it is a very necessary proposal, in case the increase in the income-tax is to go through this House at all. But that is a different question. In case the increases do come into effect at all I quite appreciate the force of the argument of my Honourable friend with reference to the first portion of his speech, namely, to remove an undue burden on people having moderate incomes. That is the best portion of my Honourable friend's proposals; but like all things coming from that quarter we have to look at things with suspicion, and although the position is rendered somewhat difficult on that account, I have no hesitation in saying that I am not prepared to cast my vote with him on this motion. His suggestions are so farranging, so important, so vital, that it is hardly necessary that I should follow him into that wide field. There are one or two things which he has mentioned about which perhaps I should speak out. He has dragged in the joint Hindu family for more treatment at the hands of the income-tax authorities. If he were a member of a joint Hindu family and came to live in a family like that, he would realise the difficulties of the joint family life. In fact his ideas of the standard of living among Hindus and Muhammadans in this country nowadays seem to be somewhat out of date. Following the vicious example of my friends, the Anglo-Indian community in this country, our standard of living also has

gone extravagantly high, but it has not lowered in other matters which used to affect us before. Our ceremonies and ceremonial expenses continue on a much larger scale than they used to be. One would have thought that when we blindly imitate the West in their manners and customs and mode of life, we should drop these things. But unfortunately we take the vices of the West and continue what may be called the vices of the East. So we indulge in both the vices of extravagance. Now, we take coffee abundantly—I am speaking of the southern portions of the country. Coffee is not much favoured in this part of the country; particularly in Bengal, they take tea twice or thrice or even more times during the day; and when I heard that five rupees per head was paid for tea in New Delhi at the recent celebrations, I thought it must be a very costly affair indeed. . . .

An Honourable Member: That included whisky also.

Diwan Bahadur T. Rangachariar: Then again after the introduction of this hire-purchase system, the people who ordinarily cannot afford motor cars, go in for them, and so really the standard of living has gone up. My Honourable friend is labouring under a very great mistake in thinking that our standard is in any way less than theirs. Extravagance is writ large not only in Government circles but in domestic circles. (Laughter.) I think it is a vice which we have caught from the West.

The position of the Hindu joint family is not so happy as my Honourable friend thinks. I am a member of a joint Hindu family: I am the head of it, and I know the difficulties and where the shoe pinches.

As regards land, it seems to be a thing which everybody has a desire to have a go at. I wish my Honourable friends opposite who make fortunes in commercial ventures (*Members on the European Benches*: "Question") would invest in land. I will gladly give them a share in my land which I have purchased.

Mian Muhammad Shah Nawaz (West Central Punjab: Muhammadan): I am quite willing to sell my lands to them.

Diwan Bahadur T. Rangachariar: If my friends will go there and get an experience of the difficulties, the practical difficulties which we are exposed to, then they will know. Of course we have no other source of investment, and we are obliged to invest in land or Government securities. These are the only two things in which we indulge. But look at the difficulties of the landlord. I am speaking not of the big Zemindars in Bengal and Berar or elsewhere: possibly our friends who come in contact only with such big people confuse landlords with those landlords. I am speaking of the ryotwari landlords, who form the bulk of the agricultural population, living on agriculture in the country, especially in my province. Look at the difficulties they have to face: the freaks of the season it may be: as we call it, the *athivrishti* or the *anavrishti*: either it is too much or too little: either it is timely or untimely: we have to depend on the rains, and I do not think the Finance Member suffers so much from the vicissitudes of the monsoon as the man on the land does. Our irrigation sources give a lot of difficulty. The village communal system has ceased to exist and work: and as regards the internal irrigation channels, the Government say "It is your duty to repair them", so that it is no man's business to repair these minor irrigation channels, and it is a hand-to-mouth living which these people are leading: each man

‘ [Diwan Bahadur T. Rangachariar.]

just trying to repair a little bit in front of his field, while the supply is very scarce, inadequate, untimely and unseasonal. Then again we have a rigid system of land revenue settlement. Does my Honourable friend know that Government take 50 per cent. of the nett yield of the land in the shape of revenue? Does he know how it is calculated? They take one field in the village, carry on experimental cultivation and then say “Here it is; this is to be taken as the average yield for the whole village”, and then the assessment is fixed per acre and then you find on a particular classification or calculation the price of grain is fixed and then the permanent settlement is fixed for thirty years to come and revised once in thirty years; and then again the revenue is collected in four months in the year at a time when perhaps it will be most inopportune for the grower to sell his produce and he has to resort to the money-lender in order to pay the Government revenue and borrow at high rates of interest. Added to that, as I have already said, there is the difficulty of finding labour. Agricultural labour is getting more and more difficult to obtain, especially for villages situated near towns. Towns attract labour much more easily than the villages. Then again there are the vicissitudes which affect our cattle. Has my Honourable friend any idea of the losses occurring by rinderpest and other diseases? This year I lost nearly two dozen head of cattle, and substitution means so much money. In that way it goes on. Our difficulties are many; they are inevitable necessities which we have to face and therefore it is no easy matter to say “Very well, let us try land.” If my Honourable friends who make the suggestion will actually hold the lands under the ryotwari settlement and live under the rigid ryotwari revenue system, then they will realise our difficulties, and they will not so readily come forward with such suggestions.

The other source of revenue which my Honourable friend mentioned is *pan* or what we call betel leaves down south. If the poor indulge in any luxury it is the one betel leaf which the labourer can get, if he can, at the close of the day, or immediately after meals, with a small bit of betel nut. Very few people get even that: they cannot afford it. Have you ever seen children of labourers and peasant proprietors go to the wayside shops in village parts? They take three or four pies—I mean the pie which is one-twelfth of an anna and not the pice of these parts—and with one pie they buy kerosene oil, with another some chilies and tamarind occasionally and with another a betel leaf: they live in that way: they are not able to make both ends meet and you are going to deprive them of this betel leaf which is considered essential. On marriage, festive and other ceremonial occasions, it will be considered most inauspicious if we do not distribute betel leaves and nuts to our guests; if a guest visits our house, just as you offer a cheroot, we have to offer *pan*; ladies of our households would consider it an insult to send away a visitor without *pan*. It is not a mere luxury as you think it is. It is one of the most dire necessities of our domestic life, as it has been ordered from times past; so that if you are going to tax it, who are the people who will be affected by it? It is the poor people who already cannot find enough clothing and enough food to eat. It is these people who will suffer.

There are various other suggestions which my Honourable friend made. This is not the time to go into them. I do not think he was serious in many of those suggestions and I do not think I should take the time of the House by discussing them in detail.

I wish to make one remark about matches. I have noticed recently that a sort of monopoly is being created in favour of one syndicate from one country, which is not England, I think, called the Swedish Syndicate or something. I see it is very busy erecting factories all over India and acquiring a monopoly in the manufacture of matches and driving out the smaller manufacturers out of the market altogether. Whoever is in charge of industries—I hope he is here today—I hope he will take note of the fact and see that the indigenous industry in the hands of small miscellaneous manufacturers, who cannot find the big capital which other foreign countries can put forward, is not hard hit. I want him to take note of that fact and see whether he cannot levy some sort of royalty from those manufacturers so as to see that we really get the benefit out of this monopoly which this syndicate is now acquiring all over India. I think they are going to get a monopoly just as other companies have acquired monopolies in oil and other things. I am afraid the small manufacturer is going to be driven out, and I give this word of caution to the Honourable Member in charge of Industries if he can take note of that. Therefore, Sir, without

12 Noon. entering into the details of the other suggestions made by my Honourable friend, I am sorry to say I cannot go with him in the lobby if he presses this motion to a division on account of the mixed motives which he has got.

Mr. H. P. Mody (Bombay Millowners' Association: Indian Commerce): Mr. President, the reasons advanced by my Honourable friend Mr. Heathcote in placing his token cut before the House, particularly his opening remarks, are of such a character that it makes it rather difficult for me, and I presume for my friends on this side of the House as well, to be able to say at this stage whether we are going to support this motion. But, Sir, the token cut, I presume, throws open for discussion not only the proposals for income-tax and super-tax which are before the House, but also the whole policy underlying them, and accordingly I shall make a few observations on the general question. As I am going to criticise sharply the Honourable the Finance Member, I will begin by saying that he is entitled to a certain measure of sympathy in that he has perpetually to dive his hands into other peoples' pockets. I think he is also entitled to a certain measure of consideration, because it is obvious that no matter what proposals he places before the House, they are sure to meet with hostility and criticism from one section of the people or the other. But when I have conceded that, I have conceded practically everything that can be said in favour of the proposals before the House.

Sir, I regard these increases in income-tax and super-tax as extraordinary, and I doubt very much, whether in any country, except perhaps in a grave national emergency like a world war, increases of this character have been proposed at one bound. As my friend the Mover pointed out, on the smaller incomes the increase is something like 80 per cent. On the next grade also it is much the same. I ask my Honourable friend whether he thinks that the taxpayer has an unlimited capacity for bearing the burdens which he chooses to impose upon him. I do not deny that the Honourable the Finance Member has a right to look to the commercial and industrial classes when he wants additions in taxations, but he must guard himself against falling into bad habits. If in the past he has been allowed to dive with a certain amount of ease into certain pockets he must not think that he can always go on putting his hands into those pockets and expect to get what he wants.

[Mr. H. P. Mody.]

My friend Mr. Heathcote pointed out how the incidence of taxation in England is in certain respects much lighter than what is now proposed in India. I do not want to go into those figures over again, but I would like the House to understand what are the various allowances and reliefs allowed by the income-tax authorities in England and which are not allowed here. In the first place, there is an allowance in respect of what is known as "earned income". One-sixth of a man's income is allowed before his assessable income is ascertained. Then, Sir, there are allowances for age. If a man is over 65 and if his income is not over £500 there are certain allowances. Then there are what are known as personal and family allowances. A bachelor has an allowance of £135, and a married man £225. The tax-gatherer in England has a certain amount of sympathy which is very natural for the man who has a wife. Then, for every child there is an allowance; for the first child there is an allowance of £60, and for the others £50 is allowed. Then again, Sir, if a man is not blessed with a wife and children but happens to be afflicted with a housekeeper (Laughter), even the housekeeper excites the sympathy of the authorities, and there are certain deductions permitted in the case of the housekeeper. Then of course those who like the poor are always with us, *viz.*, dependant relatives, they also command a certain measure of sympathy, and deductions are allowed in respect of those people. Considering all this, it really comes to this, that a man with a modest income is much happier in England than he is in India, and when you consider that in England they make almost a speciality of taxing incomes, even they recognise that for certain classes of income the incidence should be as light as possible. While we have copied the example of England in the matter of the heaviness of our exactions, we have failed to afford relief to those classes who would be most hard hit by such taxation. Therefore, Sir, when the Finance Bill comes up, it will be a matter for consideration how far this House is prepared to support the Finance Member. This is not the place, this is not the occasion at any rate so far as I am concerned, to indicate to the Finance Member how he should make up the deficit in the Budget if his proposals in respect of income-tax and super-tax happen to be thrown out, or very considerably modified. Certain indications were given by various Members in the course of the general discussion on the Budget, and this is not the time, I submit, for a repetition of those arguments. I feel sure the House will be well advised in not allowing the Honourable the Finance Member to commit these exactions on classes which have been heavily taxed in the past few years, and if Government are to be compelled to look in other directions for finding their revenue, this is the occasion on which by the unanimous vote of this House, at any rate by the unanimous vote of this side of the House, they should be compelled to do so and to reconsider their policy.

I would like to take this opportunity to bring forward two matters which are causing much soreness to the public in connection with the income-tax. I have briefly referred to one of them, namely, the carrying forward of the losses, in my Budget speech. I want to ask the Honourable the Finance Member whether income-tax is intended to be a tax on income or on capital? If I make Rs. 5,000 this year and I happen to lose Rs. 10,000 the next, the Income-tax Collector will have no compunction in pouncing upon my Rs. 5,000 made this year, but next year when I have

lost Rs. 10,000, all that he will do will be that he will let me off any taxation. In other words, while I have made a loss in the two years of Rs. 5,000, the Government will have taxed me in respect of an income of Rs. 5,000. In other words, the Government are a sleeping partner, and a major partner too, in my profits, and they disclaim all responsibility for my losses. I want to know by what canons of fairness, by what principles of taxation the Finance Member can possibly justify such a state of things. In India, Sir, we have a stock excuse, an excuse which has done service to the Government of India for generations upon generations, and that excuse, Sir, is that they have no money when they are called upon to set right a wrong or to remedy an obvious anomaly, such as there is in this case.

(At this stage Mr. President vacated the Chair which was taken by Mr. Deputy President.)

Now, Sir, if, as regards the carry forward of losses, the justice of which they admit, their excuse is going to be that revenue considerations do not permit them to give this relief, I want to ask whether it is really their intention to give the relief at a time when they know that their revenues are not likely to suffer.

Mr. B. Das (Orissa Division: Non-Muhammadian): What is the British practice?

Mr. H. P. Mody: The British practice at first was that the average of three years' profits was taken. In 1926, the law was altered, and the loss of one year was allowed to be set off against the profits of the succeeding six years. Now, I want to remind my Honourable friend the Finance Member, that this adjustment, this relief was given at a time when revenue considerations should have inclined the authorities in England to refuse the relief. 1926 was not at all a good year for the British taxpayer, and even then the Government at home thought it right to afford a relief the justice of which nobody could dispute. Here, in India, whenever we have a situation like this, all that the Government do is to say "Well, we cannot afford to do justice, because we have no funds". I have an idea, Sir, that the Finance Member will come forward with a proposal for this carry forward of losses only when he is sure that that carry forward is not going to tear a hole in his pockets; in other words, when normal times are restored and there are no losses to be taken into calculation in the adjustment of profits, then I suppose the Government of India will come forward with a proposal for setting the matter right. I am confirmed in that view by what has taken place in connection with the company super-tax,—an altogether unjust tax, again, because, among other things, it is in the nature of a double tax. The company pays over an income of Rs. 50,000, and if I am a large shareholder and my income is liable to the super-tax, I pay over again on the same amount. Now, the injustice of this double tax was recognised by the Government of India years ago. One reference which I can get hold of relates to the year 1925, when Government declared that when the revenue would permit them to do so, they would do away with this tax, or at any rate, they would consider the advisability of doing away with it. Since 1925, have they had no opportunity of carrying out this undertaking? It really comes to this that in normal years, if not years of surpluses and balanced budgets, they have no money for doing away with the tax; in a year of stringency, they have again no

[Mr. H. P. Mody.]

money for doing away with the tax. I want to know whether the Government of India are really in earnest when they tell the public that they are going to do certain things at the proper time. My point, Sir, is that it is precisely when you are making these large exactions on the public that you ought to come forward with measures of relief. I would take up even a higher stand on these questions. Once it is conceded that a certain thing is wrong, it must be righted, no matter what the condition of the finances may be. The House will remember how the thoroughly indefensible excise duty was removed after 30 years of continuous agitation. It was not removed for many years because the Government of India always had this excuse that they could not afford to forego the revenue. I say that that is an argument which ought to be thoroughly condemned. I think that, if the Honourable the Finance Member desires to meet this side of the House in a spirit of reasonableness, in a spirit of conciliation, he ought to come forward with a definite declaration with regard to these two points, namely, the carry forward of losses and the company super-tax. These are matters on which we do not want any longer to have that stock phrase that when the revenues permitted, these anomalies would be done away with. I feel that the Honourable the Finance Member would do well if he comes forward with a definite declaration such as the commercial community can fasten on, instead of these vague assurances which are repeated year after year and which amount to nothing. I hope that the House will get the assurances which I am asking for, and I hope also that the House will obtain from the Finance Member revised proposals in the light of the criticisms which have been advanced against his Budget.

Rai Sahib Harbilas Sarda (Ajmer-Merwara: General): Sir, while we appreciate generally the way in which the Honourable the Finance Member has apportioned the new taxation, while we appreciate that the proposals, generally speaking, with regard to taxation are good in so far as the burden of the new taxation falls more on the luxuries of life and not on the necessities, we cannot with equal satisfaction accept his proposal to increase the income-tax. It is, however, a matter of some satisfaction, and the country will be grateful to him for it, that he has resisted the temptation to lower the limit of minimum taxable income, and we are glad that he has kept all incomes below Rs. 2,000 free from income-tax.

The incidence of taxation, as proposed by him, however, falls heavily on the middle classes, and men with salaries of Rs. 170 or 200 a month will find it very difficult to make the two ends meet with large families to support, with children to educate, and with the ever increasing social demands to meet.

Sir, why public companies should be taxed at a uniform rate of one anna per rupee while private firms and individuals have to pay a tax of five or six annas a rupee, is difficult to understand, particularly when we remember that, if the shareholders and others find that they have been taxed at a higher rate than is equitable, they can always claim refunds just as private persons do. I wonder if the object is to give special protection to Europeans who do business chiefly through public companies as amongst them there are no individuals or private firms who do business on a large scale.

Sir, with peace re-established, with people settling down to pursue peaceful avocations of life, with people putting their hands to the plough, and all trying to put their hearts into work to earn their livelihood, there is every probability amounting to certainty that the Government estimates of income under various heads will be largely exceeded, and the Honourable the Finance Member will not require the additional 14 crores of rupees he asks for to balance his Budget.

(At this stage Mr. President resumed the Chair.)

His proposals were framed under circumstances quite different from what obtain now. He was probably afraid then that his income would shrink more and more owing to aggressive boycott and the consequent stagnation of business. He must now be hopeful, and we have every reason to believe that he is hopeful, of a better outlook for the finances of the country. and it is but reasonable to expect that he will so modify his income-tax proposals as to bring them more in accord with the changed condition of things, and not take away from the general satisfaction and cheerfulness which the recent peaceful settlement of the Indian situation has spread throughout the country. His proposals hit the middle classes very hard. The middle classes form the brain of the country. They direct all public movements in the body politic and it is only meet that he should protect the middle classes. And if he protects them from undue pressure on life, he shall have done something to ensure peace and prosperity to the country.

Mr. B. Das: My Honourable friend, Mr. Heathcote, wanted some of us to record our protest against the high scale of income-tax that has been levied by the Honourable the Finance Member this year. If I would like to record a protest, I would record a mild protest against the Finance Member and I would record a violent protest against the Honourable Mr. Heathcote for the revolutionary system of taxation and also the policy of taxation that he enunciated. I feel that I must protest when I feel that my pocket is touched. So, also will my friend, Mr. Heathcote. I would like him to suggest alternative methods of taxation by which that 4½ crores of rupees can be got. The system of taxation which my friend suggested I call revolutionary. I call it most reactionary too. My friend talked of the higher standard of living of the Anglo-Indians and Europeans and my friend also talked of the low standard of living of the Indians. I do not know how my friend lives in Calcutta society and where he lives in Calcutta. I apologise to him for my ignorance, but I should like to know whether he has got opportunities of mixing with the Indians, masses and classes and of realising the heavy responsibilities that are on the shoulders of every Hindu and every Muhammadan owing to the joint family system, and owing to the traditional system of hospitality and maintaining relations, that has been handed down from generation to generation. My friend talked of the wife and two children that an Anglo-Indian or a European maintains. We also do maintain wives and children. (Mr. Gaya Prasad Singh: "Wives!") My friend, Mr. Gaya Prasad Singh, who is a Rajput must know if he chooses he can marry a dozen princesses. (Laughter.) Does my friend know the obligations of the village community system which the system of Government that his countrymen brought to India has abolished in many parts but which still prevails? My Leader, Diwan Bahadur

[Mr. B. Das.]

T. Rangachariar, just now told us of the heavy responsibility which he carried as the patriarch of the family and as a big landholder. Sir, if my friend Mr. Heathcote, will not drink a second glass of champagne with his dinner owing to the system of taxation introduced by my Honourable friend, Sir George Schuster, I am sorry for him. If my friend wants to have two bottles of beer and can only take one now, I am sorry for him. Now, what is the policy which my friend advocated? I wish my friend would read the speeches of his predecessors in this Assembly when the salt tax was doubled. There was glee in the mind of every European. They said that the salt tax did not touch the poor and it was a political agitation only. Today my friend insidiously suggested that the poor man has not been touched and he said that the poor man must be touched. My friend does not read the signs of the times. Pandit Jawahar Lal Nehru is still there. The socialist system of living must come one day into India. It may come ten years hence or 15 years hence, when the income of every man shall be made equal. My friend will not earn his Rs. 10,000 or Rs. 20,000 while the poor man is content with Rs. 150. What about the poor man who gets only Rs. 30 or 40 and has to maintain a whole family? The suggestion was made that *pan* should be taxed. As my friend, Mr. Rangachariar said, that is the only luxury left to the poor man. My friend talked of the taxation of income from land revenue. My friend and his party supported very much the Report of the Simon Commission, and I think he must have read the various recommendations of Sir Walter Layton. If he had read them, he would have seen why my Honourable friend, the Finance Member, did not accept certain recommendations, although they were suggested by the Taxation Inquiry Committee. If the recommendation of the Simon Commission, in Volume II, is to be followed, then the provinces would not be able to develop their sources of revenue under the new constitution. If the present Finance Member exploits all the resources of taxation, then there will be nothing left to the provinces in the near future. My friend wanted an equitable system of taxation. A real equitable basis of taxation requires that there should be a sufficient margin for taxation in case of war and other emergencies, so that Government can then reach those limits of taxation. If this income-tax measure is an emergency measure for a year,* and if my Honourable friend, the Finance Member, guarantees that, within a year, he will by means of the Retrenchment Committee or some other means, reduce the heavy salaries which the Indian services are drawing, then I may be a party to it. I will discuss later on when the Finance Bill comes up the method of taxation that he has brought in. As regards the taxation policy, which my friend advocated on the land revenue, the Honourable Mr. Rangachariar has already pointed to the heavy drain on land. I may just point out that, owing to the low level of prices today, the village agriculturist, if he sells the whole of his produce, cannot meet the land revenue. Of course this subject does not fully come within the purview of my Honourable friend, Sir George Schuster. It comes only in the cases of the North West Frontier Province, Baluchistan, Ajmer-Merwara and other centrally administered areas. What is the use of talking of getting more revenue from the land? If he suggests that the agricultural incomes of big landholders should be taxed, my friend, as a representative of the Associated Chambers of Commerce, knows that the subject has been under the consideration of the Government of India for

very many years. The Government themselves and the various Chambers of Commerce all over India doubt whether the assessing of income-tax on agricultural incomes is equitable. As far as I know, the landholders of Bengal have protested that they cannot pay Government revenues. What is the use of talking about taxing this income, when the landholders cannot even pay their land revenues as the farmers cannot pay their revenue even by selling their whole produce? Bihar landholders have also protested. Sir, while I am protesting against the remarks of my Honourable friend, I would however ask, "Is not the Finance Member already touching the pocket of the poor by taxing betel-nuts and spices?" The Finance Member certainly does not want to leave the poor man.

An Honourable Member: He is taxing kerosene oil also.

Mr. B. Das: Sir, I thought that there had been a change of heart on the side of my friend. His suggestion that there should be an excise duty on the match industry is what I would call outrageous, when the Indian match industry is crying for protection. There is a rumour in the Press that certain English firms have combined with the Swedish match combine, and I do not know if my Honourable friend has any interest in the Swedish Match Company. Sir, I shall never be a party to any arrangement whereby the Government should levy any excise duty—except that on salt, which however I hope will go away in the course of a year or two—on any Indian industry so that foreign industries should thrive. It has already been suggested by my Honourable friend, Mr. Rangachariar, that Government should look into the question whether they cannot have a royalty out of the Swedish match industry. I go further and can suggest more revenue for the pocket of my Honourable friend, the Finance Member. This Swedish Company is still importing Swedish logs and timbers, splints, veneers, etc., for the match industry, and the tax that the Government have put is not sufficient; there should be a prohibitive duty so that this foreign company should not exploit India in the name of Indian manufacturers of matches. Sir, while I welcome my Honourable friend's suggestion for bringing forward the English system of income-tax, under which a poor family gets a deduction of a certain sum free from income-tax, I was surprised that he wants income-tax to be assessed on sums of Rs. 1,000. My friend, Rai Sahib Harbilas Sarda, has already quarrelled with the Finance Member that he does not think of the poor middle classes. Well Rs. 1,999 has so far been the limit of income-tax free income. If my Honourable friend, the Finance Member, listens to the advice of my friend, Mr. Heathcote, then people whose ordinary income goes above Rs. 1,000 will be asked to pay income-tax. (*Several Honourable Members:* "No, no.") He said Rs. 1,000 should be the limit for exemptions. May I know, Sir, whether my friend, Mr. Heathcote, wanted that people drawing an income of less than Rs. 2,000 should be exempted from the income-tax?

Mr. L. V. Heathcote: They should have a thousand rupees deducted.

Mr. B. Das: I am so glad to note that, because I was reminded of the statement which was issued by the representative of the European Association I think pointing out that they wanted that the limit of income-tax should be Rs. 1,000. I am so glad to note that my friends do not want an income-tax on incomes below Rs. 2,000 to be paid. Sir, I have recorded my protest, and I must now warn the Government that they would invite

[Mr. B. Das.]

violent agitation if my Honourable friend, the Finance Member, brings forward any measure at the instance of the European Chambers of Commerce to tax the poor man. This is the first speech I have made after the Budget but we heaved a sigh of relief when we found that the Finance Member did not follow a predecessor's policy in touching the poor man's pocket by doubling the salt duty?

Mr. E. Studd (Bengal: European): Sir, I share the sympathy which the Honourable Mr. Mody has extended to the Honourable the Finance Member on the difficult and uncongenial task which he has had to do, though I confess that I cannot altogether share Mr. Mody's reasons. He sympathised with the Finance Member because he was always having to dive his hand into other people's pockets. Well, Sir, on that basis I think we all of us deserve much more sympathy, for we are all continually having to dive our hands into our own pockets, and that must be greater cause for sympathy than having to dive a hand into some one else's. Sir on behalf of the community which I represent, I should like to endorse Mr. Mody's remarks with regard to the carrying forward of losses. The Chambers of Commerce and other commercial bodies all over India have I think repeatedly expressed their views on that point and they desire to reiterate again now that they do press strongly what seems to them only equitable treatment, that they should be allowed to carry forward losses in the computation of income-tax. I think my Honourable friend, Mr. B. Das, was a little bit under a misapprehension when he talked about the suggestion that agricultural incomes should be taxed. If I understood my friend, the Mover of this cut, aright, there was no suggestion that agricultural income should be taxed but merely that the amount of agricultural income should be taken into account in deciding the particular section for assessing the rate of income-tax—that the agricultural income should be free, but that the rate should be higher on the balance of the income where there was also agricultural income, and that I think is a quite different thing. (*Sir Hugh Cocke*: "Hear, hear.") I do not know how serious my Honourable friend, Mr. B. Das, is over his expectation that the time will shortly come when everybody's earnings and salaries will be the same. (Laughter.) Does he honestly expect me to believe that he hopes that shortly a skilled engineer for instance will only receive the same as an ordinary dock labourer? Or does he suggest that the dock labourer should receive as much as the skilled engineer? (Laughter.) If he is really anxious to hasten forward that day, he might do a service by sending in towards the deficit Budget the balance of his excess income as an engineer over whatever he chooses to settle as the limit.

Mr. B. Das: I will consider the suggestion under a socialist Government.

Mr. E. Studd: I was rather sorry to hear from the Honourable the Leader of the Opposition that he felt that he had to view with suspicion anything which came from these Benches. I did hope that we have made it clear that our interests and our desires are really the same as those of Indians. (Hear, hear.) Our opinions may often differ, but that surely is no reason for suspecting the honesty of our motives, and I hope that the suspicion which he suggested does not really actually exist. I was a little perturbed at hearing him say that Indians and Indian families had learnt

the ways of extravagance; and I hope that before the new constitution comes in and an Indian Finance Member takes over charge, they will at any rate to some extent have unlearned those ways of extravagance. (Laughter.) Now, Sir, I listened with considerable interest to the Honourable Mr. Rangachariar, and it seems to me that really, fundamentally, we are agreed. He said that he agreed with the Honourable the Mover of this cut. He further said that the new income-tax proposals were too heavy and that relief ought to be given, at any rate, to the lower grades, and that, after all, is really the matter that is before us. The rest of the Honourable the Mover's speech was putting forward certain suggestions that might possibly be considered as alternative forms of taxation, but he was not putting it forward as a definite amendment which should come into operation instead of the income-tax proposals. It was very interesting to me to have listened to the views of the Opposition on those suggestions and their arguments against them; but I do not think that necessarily is a sufficient reason for voting against this motion. I notice also that, while they disapproved of the income-tax proposals, they do not seem to have any alternative constructive proposals of their own to put forward in their place. Sir, it has always been the aim of the European Group to try and draw parties together to encourage sympathy and understanding and as far as possible to break down differences. It looks to me as if we are going to achieve that in a somewhat unusual way because as far as I can see the opposition are going into the lobby with Government. That is the first time that in my short knowledge of this House any such thing has happened.

Diwan Bahadur T. Rangachariar: If my Honourable friend confines his motion only to the inequalities in the first few grades and withdraws the rest of his motion, we will only be too glad to walk with him to the lobby.

Mr. E. Studd: That, of course, is for the Mover in reply to say.

Now, Sir, there are one or two points that I want to touch on very shortly. The Honourable the Finance Member in his Budget speech referred to the danger of putting such a tax on commerce as would retard commercial recovery. I am afraid there are some of us who are perhaps not so optimistic as he is about the speedy recovery in trade and commerce. Sir, I cannot help feeling—and I know that that feeling is shared by many of my community—that these taxes, admittedly only emergent, are putting such an additional heavy weight on commerce that they must inevitably retard its recovery. The Honourable the Finance Member stated that this additional tax would fall with unerring aim and full weight on Government servants. That may be perfectly true but I maintain that it falls with still more unerring aim and still fuller weight on both individuals and firms and other commercial enterprises, for quite a number of commercial concerns have already been compelled, owing to bad times, to reduce salaries. Now, those employees are going to pay this very heavy increase in income-tax on a reduced salary. The Government official, at any rate, is paying it on his original salary. Then, in addition to that, as far as firms and companies are concerned, they have to pay this increased tax based on the profits which they made last year. I sincerely hope that the Honourable the Finance Member may be right in his expectation that profits this year are going to be bigger than they were last year, but certainly to me the outlook for that does not look

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very hopeful, and I think it is more than likely that business communities will have to pay the increased tax on the basis of a figure which they will in point of fact not realise at all this year. Another point where, I think, commerce finds it also a heavy handicap is this, that whereas a Government servant has a pension to look forward to at the end of his time; with very few exceptions, those who are engaged in commerce and industry have no pension to look forward to. They have, during the time that they are working out here, to accumulate sufficient to put away in order to give them an income to live on in days when they are past the ability to work. Now, Sir, we have been assured that these taxes are taxes put on in an emergency. It does seem to me that that emergency was apparent six or nine months ago. It was quite clear that there was going to be a deficit, probably a pretty considerable deficit, in the Budget. Therefore, I cannot help feeling that more might have been done to explore new avenues for taxation, so that it would not have been necessary to put an unduly heavy burden on one section of the community. I hope, Sir, that the Honourable the Finance Member's anticipations will be realised and that the recovery in trade which he hopes for will come during this year and will enable these taxes to be reduced. But even if that does not occur, I trust that no effort will be spared to find some alternative forms of taxation so that in any case, even without the recovery of trade, the heavy burden on commercial communities will be able to be reduced.

Mr. Jamal Muhammad Saib (Madras: Indian Commerce): Sir, as regards the proposed increase in the taxes on income, I hope the Honourable the Finance Member now realises fully that this scheme of his strongly disapproved of by all sections of the people.

The country almost unanimously condemns it as an additional burden likely to further crush down the commerce and industries of the country which are in a bad state already and as an unjustifiable exaction from those who could ill-afford to pay it now. The Government estimate the yield of the taxes on income to be 4½ crores less in 1931-32 as compared with 1930-31, both calculated at the existing rates. I think the drop will be even more than that. However, that may be, what does that denote? It denotes the sinking state of the prosperity of the country, or as the Financial Secretary puts it, it "reflects the depression in trade". Even if the Government do not care for the commerce and industries of the country, they should at least desist from descending with a heavy hand on those engaged in them even if it be to keep them going on as one of the largest contributors of the Government's revenues. They do not seem to realise the imprudence of their action even from the revenue point of view. They expect to get about 5 crores more by the increases proposed. I am inclined to think that the Government would get nothing of the sort. They should rather congratulate themselves if they get even what they had this year under the present proposal, as it is sure to scare away many from trade and is likely to affect the slender sustaining powers of the others.

But the most serious thing about it is that the further scraping away even of the little savings of the people engaged in the commerce and industries of the country will have the effect of stunting those lines of national life and will also restrict the industrial progress of the country. There would be no money available for the revival and development of the existing tottering industries, nor for the starting of new ones.

Sir, the Honourable the Finance Member says that it is only an emergency measure and not a permanent one. I hope the House will not be lulled by this assurance. When any taxes on income come, they come to stay and grow gradually, but not to recede or disappear. Now take the case of the super-tax. It was imposed as a War measure and yet you find it still surviving and growing in bulk, although it is 13 years since the War ended.

Sir, in conclusion, I beg to submit that the proposed increase in the taxes on income should be dropped and in this year of severe depression the assessee should be allowed to set off profits against the losses of the previous year as they will feel the want of it most now apart from the justice of the case. The only right way to fill up the gap in the Budget is to cut down the exorbitant military expenditure and to apply the retrenchment axe rigorously to the other expenditures, as they are all out of touch with the fall in prices and the consequent lowered cost of living. If in spite of all such real retrenchments, a gap is still found to be filled up, it should be done by getting additional revenue by the imposition or the increase of Customs duties with a view to protect our Home industries, such as the enhancement of the export duty on raw hides and skins, or by reducing the fund appropriated for reduction or avoidance of debt to the required extent, or by the raising of a small loan as an extraordinary case.

Mr. C. S. Ranga Iyer (Rohilkund and Kumaon Divisions: Non-Muhammadan Rural): Sir, I do not want to make a long speech but to confine myself to only a few sentences. The Honourable the Leader of my Party has already expressed the sentiments that weigh with us and the opinions that we hold in regard to what the Honourable the Mover of the cut has said. Now, to facilitate matters, Sir, if the Honourable the Mover of the cut, while winding up the debate, will assure us on this side of the House that his motion is confined only to increase in income-tax and super-tax, I can say on behalf of my Party that we will be quite willing to go into his Lobby. If, on the other hand, he adheres to everything that he has said, in spite of our attitude in the matter and the opinion that we have held, we will be obliged to go into the opposite Lobby.

Mr. President: I think it is the general desire of the House that we should finish this discussion before the lunch interval, and I will therefore call upon the Honourable the Finance Member to reply.

The Honourable Sir George Schuster (Finance Member): Sir, I find myself in some difficulty in replying to this debate, for to a large extent the speeches of the various speakers have answered each other. But it has at least provided me and I hope Honourable Members, on all sides also, with an interesting object lesson. So long as the task of any speaker is confined to purely destructive criticism, there seems to be a chance of achieving some unanimity among the unofficial parties, but whenever any speaker ventures to make a constructive suggestion as to how I may deal with the situation which is before the House, then those parties fly asunder, some fragments, perhaps, even so far as to carry them into the Lobby with us. I venture to think that that is typical of a great deal of the discussion that we are likely to have in connection with the Budget and with the Finance Bill. It has afforded me certain moments—rare

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moments indeed in this discussion—of pleasure. For I have had the privilege to see one or two Honourable Members try their hand at my task. I do not know whether my Honourable friend, Mr. Mody, enjoyed the reception which he got the other day, when he ventured to suggest taxation on agricultural incomes. Personally I have never heard a more genuine expression of feeling in this House than that proposal evoked. Then again if I turn to my Honourable friend to my right I can hardly believe he has been very much gratified at the manner in which his alternative Budget has been received. Sir I trust that although all Members must feel objections to almost all the features of my Budget, I trust that they will take to heart these simple object lessons.

Now, Sir, although, as I have said, it is difficult for me to make any sort of general reply for this debate, I feel called upon to deal with some of the proposals that have been made in a certain amount of detail. The Honourable the Mover of the Resolution had a great number of specific points to put forward. He made some remarks, in the first place, about the actual income-tax proposals. He called them constructive suggestions. I was at a loss to find where the constructive element came in; the effect was simply to diminish a certain part of my necessary revenue. He criticised, in the first place, the fact that we had made no alteration in the super-tax limit for Hindu undivided families. I fully recognise that there is a certain anomaly in that direction. But it was a point that was carefully considered, and I felt that if we were going to treat the Hindu undivided family in the same way as an individual for that purpose, I should be left with no answer at all to the arguments that we have often heard in this House as to the minimum taxable income for ordinary income-tax purposes being the same for a Hindu undivided family as for an individual. I admit that the one point does not exactly balance the other. But I felt that, if we were to make this change regarding super-tax limit, I should find it very difficult to reply to the proposals which I shall probably receive in the course of this debate and which we have had in the course of other Budget debates for putting up the minimum income for income-tax purposes for a Hindu undivided family. I should have had to consider meeting the gain on the increased super-tax revenue by some sacrifices on the income-tax revenue. That, at least, is the consideration which was present in my mind.

Then, my Honourable friend criticised me for not having explored alternative sources of revenue. Practically every one of his suggestions, at least all those suggestions which are practically feasible had already been considered, and there are very good reasons why we could not introduce them in the Budget of this year. The most important of his suggestions was that we should, as an emergency measure, put on a comparatively high excise duty on matches. Now, I made it quite clear in my Budget speech that we did regard an excise duty on matches as a legitimate source of revenue, and I would take this opportunity of replying to certain arguments that fell from a later speaker, my Honourable friend. Mr. B. Das, opposing such a tax. I think, on further consideration, he and those who think with him would come to the conclusion that they would be ill-advised to commit themselves against that tax as a matter of principle, because in the future of India, I feel quite sure that it will be an important and a necessary source of revenue. I think his objection

to it was based on a general objection in principle to any excise duty being imposed on any Indian industry. I quite recognise the force of that argument, so long as the industry requires a certain measure of protection. But I think, if he will refer to the Tariff Board's Report on the match industry, he will find that it was suggested that after a certain time, the present measure of protection would not be necessary and that it will be quite possible for the Government to obtain revenue from excise duty on matches. That, undoubtedly, is a feature to which recourse will have to be had in the future. But I explained quite clearly in my Budget speech why we could not turn to that as an important source of revenue at once. Now, my Honourable friend, the Mover of this Resolution, has suggested that although the difficulties to which I referred in my Budget speech must deter us from introducing a substantial excise duty on matches as a permanent measure, they would not necessarily apply to a purely temporary resort to that expedient, say, if we were to impose an excise duty for one year only. I admit that there is something in that argument, but on the fullest consideration, I

1 P. M. could not myself recommend the Government to take that course. There are certain definite reasons against it. In the first place I think we are definitely committed to giving the excise duty on matches to the Provincial Governments. One of the speakers on the other side has made clear what our obligations in this respect are, and I in my Budget speech tried also to make clear that we now have to consider not only our own needs but the needs of the Provincial Governments, because any reforms which may now be introduced will be of very little value to the country as a whole unless we can find some means of giving greater revenue to the Provincial Government in whose hands lies the task of developing what are known as the nation-building services. Therefore I should be very unwilling to have recourse, even in the present emergency, to drawing revenue from a tax to which the Provincial Governments really have a strong, indeed an infeasible, equitable claim. That is the chief reason why I think that particular proposal could not in any case be of much value to us this year.

I do not intend to go into the details of all my Honourable friend's proposals. He also referred to the possibility of putting a tax on mineral waters. An excise duty on aerated waters was also proposed by the Taxation Inquiry Committee and their proposal was in due course examined by the Government of India. On that examination it was decided that a tax on aerated waters would have to be regarded as a tax on a specified luxury, a tax therefore which under the Scheduled Taxes Rules would go to the Local Governments, so that even if we could raise revenue from that source, it would not be open to the Central Government to take advantage of it. I do not think, Sir, that I need take the time of the House in dealing exhaustively with my Honourable friend's suggestion for the tax on *pan*. I think what has fallen from speakers on the other side will have convinced him that I should have very little chance of getting such a proposal through the House even in an year of emergency like this, and I would tell him that there are also very serious practical difficulties in giving effect to his suggestion. The article in question is a perishable article and the only possible places of taxation would therefore be at the two ends either on cultivation or on retail vend. I think it would be little short of a Herculean undertaking to introduce any control over retail vend, while if the tax is imposed at the cultivation

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end, there would be an immediate conflict with land revenue interests. I know for a fact that in some provinces at least specially high rates of land revenue are recovered on land used for that purpose. I mention these points because I think it is of interest to examine the sort of proposals which are put up, as it gives me an opportunity of putting clearly before the House what are the practical difficulties in the way of almost every alternative suggestion that can be made.

Then, Sir, I would like to refer to certain of the remarks made by my Honourable friend, Mr. Mody, which were also repeated by other speakers. He took me to task particularly for having done nothing in the way of relieving business enterprises by introducing the principle of carrying forward losses and also in the way of abolishing super-tax on companies. I think he suggested that I had given a certain pledge under both these headings, and that I was not living up to my pledge. I would like to read to the House what I said on both those subjects in my Budget speech last year. I said:

"If the normal economic progress of India is maintained during the next 12 months it ought to be possible for us to enter on next year in a stronger financial position. I hope then to be able to make a start in introducing the principle of allowing business losses incurred in any one year to be carried forward to the next year. I also hope to be able to remove the present double super-tax on companies so far as that affects genuine trust and finance companies."

I call particular attention to the last sentence because it has never, so far as I am concerned, come within the scope of any pledges which I have given that I would consider the abolition of super-tax on companies as a whole. The only question was that, in the case of investment companies, it was unfair that they should be subject to a double super-tax.

Mr. H. P. Mody: Sir, may I say at this stage that my grievance against the Honourable Member was not that he had given pledges which he had not carried out, but that the Government of India were trotting out excuses and that it was a wrong thing to say that relief against admitted injustice would only be given if the finances permitted. That was my grievance.

The Honourable Sir George Schuster: I am greatly obliged to my Honourable friend for making that point clear. Well, Sir, I should like to say something on the point which he has now made so clear. Although unfortunately the position has not improved to a point at which we have the revenue to spare for giving concessions for which he asks, we have been doing all that was possible to prepare ourselves for such a step, and in the Income-tax Department we have started keeping a close record so that we may know exactly what it would cost Government to introduce this principle of the carrying forward of losses. I have not got the figures yet for a completed year, but I can tell my Honourable friend that, according to the latest calculations, it would probably involve, on the basis of the last year that we have been examining, a loss of something like 70 lakhs to a crore. That is for carrying forward losses for one year only, and I think that this figure is sufficient to indicate to the House that it is a very important measure and one which cannot be lightly taken. Now, Sir, when my Honourable friend says that if a certain thing is admitted to be wrong, then Government ought to do it whatever the

cos^o, I think he is importing, into the region of taxation, principles which only really apply in the region of morality. They have no application in the region of taxation. In taxation we must be guided by principles of expediency. All taxes are undesirable. I have no doubt that Honourable Members would go so far as to say that all taxes are morally wrong. But what we have to do is to find out what taxes, in order to collect the necessary revenue, will fall in the most equitable way on the country which has to pay them; and I do suggest that at the present moment if we were to try to find alternative means for producing this crore which my Honourable friend would like me to give up in order to relieve the concern which have made losses in the preceding year, we should have to have recourse to other measures which would involve far greater injustice and a far greater moral wrong—if one may use the expression—than the continuance of our present system of income-tax. My Honourable friend says “What is your income-tax? Is it a tax on profits or is it a tax on capital?” It is quite clear what our income-tax is: it is a tax on profits earned in the year of assessment; and if the profits are earned in that year of assessment then the tax is to be paid on those profits. We do not take into account, I agree, losses that are made in another period; and even those countries which have gone in the direction which my Honourable friend desires and introduced this principle over a period of six years, do not really go so far as the abstract principle for which he is contending: they treat them on the basis of expediency and they put a limit on the application of the principle—what they do is to take as the unit for their assessment six years instead of one. The principle is exactly the same; it is merely a question of how far the country can afford to go.

Then, Sir, on certain particular proposals it might perhaps be of interest to the House to know what they would involve in the way of revenue. My Honourable friend, the Mover of this motion, put forward two alternative proposals: they were proposals directed to relieve the burden on the poorest classes of income-tax payers. So far as that is concerned, if anything could be done, that undoubtedly is the sort of proposal which we should treat with sympathy and which we should be very glad to accept. Neither of those proposals are, I think, exactly in accord with the argument on which my Honourable friend opened his speech, because I should imagine that those particular classes whom he is going to relieve would almost exclusively be composed of the Indians for whom he was not particularly sympathetic in his opening remarks. But let me say what would be involved. He suggested first that the first thousand rupees of every income should be exempt from tax. I think myself that in some ways there is a great deal to be said for that proposal. It would mean in fact that the weight of the tax would not fall quite so suddenly just at that point where the weight begins. It would in effect mean that if the concession were limited to incomes up to Rs. 15,000, a loss of about a crore; and if it were extended right up to the top, it would mean a loss of about 1½ crores. Therefore it is a very substantial sacrifice.

His other suggestion was that we should reduce the income-tax level on the first four classes by two pies. That would mean a loss of about 104 lakhs on our estimates. In either case it means creating a gap which I myself can see no satisfactory means of filling.

c. [Sir George Schuster.]

Finally, I would come to the point on which there is a certain amount of agreement in all parts of this House, a general dislike to an increase of the income-tax. My reply to that is that in the present emergency I have been unable to see any means by which the necessary revenue could be raised more fairly than by these means. But I have made it clear that I regard this measure as a provisional emergency measure. Honourable Members will of course ask what do I mean by that? I mean this: I mean I regard it as a stop-gap measure to carry us over the next year. I hope that in the course of the next year conditions will improve. That is the first thing—the hope for improvement. I hope that at least when we face next year, 1932-33, we shall be able to have more optimistic estimates to put before the House; but if we do not, if we find at the end of this year that we are permanently down to the sort of level of prices which prevail now and the general lack of purchasing power throughout the country which that involves, then most certainly permanent and drastic measures will be required to deal with the situation.

The second thing that may happen in the coming year is that as a result of the various retrenchment enquiries we may be able to find some means for economies in other directions. I also hope that the constitutional issue will have clarified itself and that we shall be able to stand on more stable ground and that a great many questions of policy which do affect our expenditure will have been decided so that we may know where we are.

Lastly, if at the end of this year we find that measures of this kind are necessary for maintaining the revenue and that the balance could not be achieved either from a realisation of the hope for improved economic results or by reducing expenditure, I say we should have had time to consider, and we might have to consider, alternative measures of taxation which are more suitable as permanent weapons to rely upon. As regards the income-tax itself I quite admit that some of the criticisms that have been made that the result of our present proposals will be possibly one which bears unfairly on certain classes, are justified. It may be necessary to consider some special measures in the way of allowances to relieve those classes which suffer most heavily now. But regarding the present measures, as I did, as emergency measures, this would not have been a suitable occasion to deal with changes of that kind, and I think that that answer applies to a good deal of the criticism which I have received. Many things have been suggested which might be suitable as permanent measures, but purely for dealing with a temporary situation as I hope this will be, I personally regarded those measures as inappropriate.

That I think sufficiently explains the Government position as regards these proposals, and I come back to the one point, the fundamental point which runs through all the proposals which I have made and which I am afraid will run through every speech that I make during the course of these debates, and that is this: that we have certain situation to meet and that we must meet it, for in the interests of India we cannot allow a gap to exist. In these circumstances I am convinced that these income-tax proposals, unpleasant as they are, do afford the best way of bridging the big gap.

Mr. L. V. Heathcote: I should like, Sir, to clear up any misunderstanding that still remains between these Benches and those on my right. I think actually there is no disagreement among us at all in regard to the origin of my cut. That stands out as the undue incidence of the tax and that is what I and my colleagues protest against. If I have made some constructive suggestions for making good the effects of reducing the income-tax proposals and if those do not meet with the approval of my friends on my right, they are perfectly entitled to say that they do not approve of those proposals. They may make others or they may not make others, but the origin of my cut is that the income-tax proposals fall unduly heavily on certain classes of people. I stand on nothing else but that, and in those circumstances I feel that my friends on my right can quite well go into the lobby with me to support me in my motion.

Mr. R. S. Sarma (Nominated: Non-Official): What did you do yesterday in regard to the Army cut?

Mr. L. V. Heathcote: It is unnecessary to take up the time of the House to refer to what the Honourable the Finance Member has said. We recognise his difficulties, and we would like to be able to provide him with other sources of revenue, but we remain of the same opinion that the effect of the income-tax proposals is heavier than it should be.

Mr. President: The question is:

"That the Demand under the head 'Taxes on Income' be reduced by Rs. 100."

The Assembly divided:

AYES—59.

- Abdoola Haroon, Seth Haji.
- Abdur Rahim, Sir.
- Aggarwal, Mr. Jagan Nath.
- Alexander, Mr. W.
- Anklesaria, Mr. N. N.
- Azhar Ali, Mr. Muhammad.
- Bhargava, Rai Bahadur Pandit T. N.
- Bhuput Sing, Mr.
- Biswas, Mr. C. C.
- Chandj Mal Gola, Bhagat.
- Chetty, Mr. R. K. Shanmukham.
- Cocke, Sir Hugh.
- Dutt, Mr. Amar Nath.
- Fox, Mr. H. B.
- Gour, Sir Hari Singh.
- Hari Raj Swarup, Lala.
- Heathcote, Mr. L. V.
- Hoon, Mr. A.
- Ismail Ali Khan, Kunwar Hajee.
- Isra, Chaudhri.
- Jadhav, Mr. B. V.
- Jamal Muhammad Saib, Mr.
- Jehangir, Sir Cowasji.
- Jha, Pandit Ram Krishna.
- Kyaw Myint, U.
- Misra, Mr. B. N.
- Mody, Mr. H. P.
- Moore, Mr. Arthur.
- Morgan, Mr. G.
- Mudaliar, Diwan Bahadur A.
- Ramaswami.

- Pandian, Mr. B. Rajaram.
- Pandit, Rao Bahadur S. R.
- Patmanand Devta Sarup, Bhai.
- Puri, Mr. B. R.
- Puri, Mr. Goswami M. R.
- Raghubir Singh, Kunwar.
- Rajah, Raja Sir Vasudeva.
- Ranga Iyer, Mr. C. S.
- Rangachariar, Dewan Bahadur T.
- Rao, Mr. M. N.
- Rastogi, Mr. Badri Lal.
- Reddi, Mr. T. N. Ramakrishna.
- Sadiq Hasan, Shaikh.
- Sant Singh, Sardar.
- Sarda, Rai Sahib Harbilas.
- Scott, Mr. J. Ramsay.
- Sen, Mr. S. C.
- Sen, Pandit S. N.
- Shahani, Mr. S. C.
- Singh, Kumar Gupteshwar Prasad.
- Singh, Mr. Gaya Prasad.
- Sitaramaraju, Mr. B.
- Sohan Singh, Sardar.
- Studd, Mr. E.
- Sukhraj Rai, Rai Bahadur.
- Thampan, Mr. K. P.
- Tun Aung, U.
- Uppi Saheb Bahadur, Mr.
- Walayatullah, Khan Bahadur H. M.

NOES—35.

Abdul Qaiyum, Nawab Sir Sahibzada.
 Acheson, Mr. J. G.
 Allah Baksh Khan Tiwana, Khan
 Bahadur Malik.
 Ayyangar, Diwan Bahadur V.
 Bhashyam.
 Bajpai, Mr. G. S.
 Banarji, Mr. Rajnarayan.
 Baum, Mr. E. F.
 Boag, Mr. G. T.
 Chatterjee, The Revd. J. C.
 Crerar, The Honourable Sir James.
 Dalal, Dr. R. D.
 French, Mr. J. C.
 Graham, Sir Lancelot.
 Gwynne, Mr. C. W.
 Hamilton, Mr. K. B. L.
 Hezlett, Mr. J.
 Jawahar Singh, Sardar Bahadur
 Sardar.

Khurshed Ahmad Khan, Mr.
 Macmillan, Mr. A. M.
 Montgomery, Mr. H.
 Mukherjee, Rai Bahadur S. C.
 Parsons, Mr. A. A. L.
 Rafiuddin Ahmad, Khan Bahadur
 Maulvi.
 Rainy, The Honourable Sir George.
 Rajah, Rao Bahadur M. C.
 Rao, Mr. H. Shankar.
 Roy, Mr. K. C.
 Sahi, Mr. Ram Prashad Narayan.
 Sams, Mr. H. A.
 Sarma, Mr. R. S.
 Schuster, The Honourable Sir George.
 Shillidy, Mr. J. A.
 Tin Tüt, Mr.
 Yakub, Maulvi Muhammad.
 Young, Mr. G. M.

The motion was adopted.

Mr. President: I take it, that it is the desire of Honourable Members that I should now put to the vote the reduced Demand for Taxes on Income. This will enable the House to take up the Demand relating to North West Frontier Province in the afternoon.

The question that I have to put is:

"That a reduced sum not exceeding Rs. 71,74,900 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending the 31st day of March, 1932, in respect of 'Taxes on Income'."

The motion was adopted.

Dewan Bahadur T. Rangachariar: Before you adjourn for lunch, I wish to know which item will be taken up under the head "North-West Frontier Province".

Sir Abdur Rahim (Calcutta and Suburbs: Muhammadan Urban): I understand that Mr. Muhammad Yamin Khan is in charge of this matter, and he is not here. The motion that stands in his name is No. 276, that is, "Retaining Regulation No. IV of 1901 and other Regulations in the North-West Frontier Province".

The Assembly then adjourned for Lunch till Twenty Five Minutes to Three of the Clock.

The Assembly re-assembled after Lunch at Twenty Five Minutes to Three of the Clock, Mr. President in the Chair.

DEMAND No. 78—NORTH WEST FRONTIER PROVINCE.

The Honourable Sir George Schuster: Sir, I beg to move:

"That a sum not exceeding Rs. 1,11,39,000 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending the 31st day of March, 1932, in respect of the 'North West Frontier Province'."

Mr. President: I understand that the Honourable Mr. Yamin Khan wishes to move his cut No. 276 out of its turn. Is it the pleasure of the House to allow Mr. Yamin Khan to move this cut?

(General assent was accorded by Honourable Members.)

Retaining Regulation No. IV of 1901 and other Regulations in the North West Frontier Province.

Mr. Muhammad Yamin Khan (Agra Division: Muhammadan Rural): Sir I move:

"That the Demand under the head 'North West Frontier Province' be reduced by Rs. 100."

There are four Regulations at present in the North West Frontier Province. Very few people had occasion to know the force and the object with which they are worked. Certain incidents took place which revealed to the public under what circumstances these Regulations are worked. After carefully examining these Regulations, we came to know that they are of a nature which are not fit to be retained in any civilised country. One Regulation incidentally came to our knowledge when we came to know the other day about the unfortunate incidents regarding the execution of one Habib Nur in the Frontier Province. There are other Regulations. When certain people wanted to go to investigate something which happened there, they were debarred from entering the province. There are some other incidents which are taking place today and we come to know every day that these Regulations are being worked in a spirit which is not consonant with any human law. I will now deal with the Murderous Outrages Regulation, No. IV of 1901. I will read to the Honourable House the different sections and show how they differ from the ordinary law in the country. Section 2 provides the punishment of death or transportation for life, and not only this but forfeiture of all the connected person's property. Above all this, a man can be given the punishment of whipping in addition. If a man attempts to commit murder here or anywhere else, we know that the highest punishment which can be awarded is transportation. The distinguishing feature of this Regulation is that even the attempt to murder can be punished with a sentence of death or transportation for life and forfeiture of all the man's property, and in addition a sentence of whipping, which may amount to 30 strokes on his person every now and then. I think the whole House will agree that such a section cannot be retained even if the criminal comes up with any intention whatsoever. We have seen lately that a man was hanged and executed the next day for an attempt to murder. This sort of sentence can only be passed in India when the offence is complete and the murder has actually taken place, but here the accused is hanged and executed even if the man attacked did not receive even a scratch. Another thing you will find in this Regulation, which surpasses everything, and I believe that the whole House will condemn this law with one voice when it comes to know the real feature of the next section of this Regulation. The next section reads:

"Where any fanatic who is killed in the act of committing an offence punishable under section 2 or having been wounded and arrested in the act of committing any such offence afterwards dies of his wounds, the court which under the provisions of section 4 would have had cognizance of the offence if the offender could have been brought to trial, may proceed to hold an inquest into the circumstances of the death of the fanatic, and on proof of his having been killed as aforesaid or of his having died of wounds received as aforesaid may adjudge that all his property shall be forfeited to the Government and may dispose of his body as it may think fit."

[Mr. Muhammad Yamin Khan.]

This section in other words means that, if a man goes to attack a Government official and in that attempt, instead of his shooting the Government official, the Government official shoots him, and if this man dies of the wounds which had been inflicted by the Government servant on him, of course in self-defence, then this matter does not end there, this dead man is not left alone, but his body will remain there and there will be a trial conducted later on after his death and the Court will sit over the dead body and will conduct the trial and will pass a sentence. If it comes to a finding that this man had come to kill the Government servant, the Court will pass a judgment on this dead man that all his property should be confiscated. Now, Sir, here is to be a trial of a dead man when the dead man cannot defend himself, cannot come back to make his statement, cannot produce any evidence, and this section authorises the trial of a man when he is no longer on earth, when he cannot say what he had to say in his self-defence, as to what was the motive, or whether he had any intention to kill or not to kill, but simply because he comes and intends to shoot or kill a man and even when before he does any act the Government servant kills him, even then this man is to be brought to trial and his body is to lie down there in Court, and without his statement, which cannot come certainly when he is dead, the sentence which will be passed on him is that all his property should be confiscated. Although a man when he dies has got no property, and naturally he is in possession of no property, still the section means in effect that not only are you conducting the trial of a dead man, but you punish the successors of the dead man, because once a man is dead, the property reverts at once to his successors, but here, on account of an alleged intention to commit a certain crime, his whole property must be confiscated and must be handed over to the Government and all his successors must be deprived of that, and without there being a possibility of the dead man saying a word in this matter, this sentence is to be passed. Sir, I ask, has anyone seen a law of this kind anywhere on God's earth, that a dead body should be tried? Then, what punishment is to be given to this dead body? This section goes on and says:

"and may adjudge that all his property may be forfeited to the Government and may dispose of his body as it may think fit."

Now, Sir, who is to judge as to how to dispose of the body? That is the Magistrate or the Judge, whoever shall try this unfortunate body, and this body is to be disposed of in the manner a particular Magistrate has got the whim to pass an order at the time. If we may judge from the sort of temperament of the man who hangs a man the next day after a crime is attempted, probably he will burn or cremate the body of a Mussalman and bury the body of a Hindu, according to this section, because this section gives him the power. He will say, "Hullo, you are criticising my action, here is a section which gives me the power to dispose of the body in the way I like. I can throw it to the vultures, I can throw it to the dogs, I can cremate it, I can bury it, I can do whatever I like, just to terrorize the people against committing such a crime in the future." I ask, Sir, why does not this section say that the body will be disposed of in a manner according to the religious rites of the dead man? Well, Sir, I do not know, I cannot vouch for the statement but it is only a rumour that I have heard that there have been instances, for the correctness of which of course I am not responsible, where the bodies of

persons have been disposed of in the past not according to their religious rites but in different ways. But if that could have been done, certainly that was legal for any Magistrate to pass any order under this section, and nobody could stop him, and this section gives him full power: and I am sure that if he passed such an order, and an adjournment motion was brought up here, we would find our Honourable friends over there saying, "Oh, this was perfectly legal". Now we know that, although under section 2 an alternative punishment which may be awarded is transportation for life instead of the death sentence, in a recent case a man was hanged the next day and that was justified here on the floor of the House on the plea that it was a perfectly legitimate sentence passed on him because the section allows the death sentence or transportation, and therefore the Judge was perfectly entitled to choose the first one and it was a perfectly legitimate order as far as the law stood, and the Treasury Benches could not say any word except to defend the Judge and to say that it was a perfectly legal order. In the same way, Sir, I can foresee that if a Magistrate comes to dispose of a body by throwing it to the vultures, the Treasury Benches will here say, "We are not responsible for the whims of a particular individual; although he has done it, he has done it according to the law under which he has got this power to dispose of this body as he likes." Therefore, Sir, this is a section which gives wide powers to the Magistrates, who are after all quite liable to make mistakes according to their notions, being human beings, endowed with different temperaments and different inclinations to use the section and their power in the particular manner they like. You cannot stop them. If the human law is to be administered by human beings, and you have to take into account the fact that when any law is made, all factors have to be taken into consideration, you should see that as little room for committing mistakes is left as possible, when administering this law. Can this House agree to this kind of law, which allows this kind of power which can be misused, as it was misused the other day, remaining on the Statute-book? I hope I will command the support of everyone in this House, and I hope even the Treasury Benches will support me in this matter, that this law cannot remain and should not be allowed to remain, with these wide powers being given to the magistracy and the judiciary. We know, Sir, that everywhere the death sentence has got to be confirmed by a High Court or some other superior Court which might see whether any injustice has been done or not. Sir, it was said by a great lawyer, who was also a great English Judge, that if one innocent man is convicted, that fact causes a far greater harm, than if a criminal has been let off. If a criminal is let off and he is not punished, that does not cause so much injury as it does to punish an innocent man. Now, Sir, under this Regulation without judging whether an innocent man might be hanged or not, you allow a man to lose his life. Under this Regulation you do not even allow that the sentence shall be confirmed or revised by any other authority except the single one man who himself tried the man, and who could do it on his own inclination, as has been done in a case lately. Now, as the confirmation of the sentence is not required, so there lies no appeal under this Regulation. It specifically says that there will lie no appeal under this Regulation. Is a man to be sentenced under this Regulation? Now, Sir, such a thing is unheard of in the present day conditions anywhere else, and I fail to see why the people living on the Frontier should be treated differently from the rest of the people who live on God's earth.

[Mr. Muhammad Yamin Khan.]

We know the type of people who live on the Frontier, and a brilliant example of them is to be seen in the person of Sir Abdul Qaiyum. Is it the intention of the Government to treat such people like wild animals? I maintain therefore that this law cannot be retained.

Another novelty of this Regulation is that it is called the Murderous Outrages Crimes Regulation. It is meant to stop the murders.

3 P.M.

The man who commits a murder is tried by a Judge all over the world, but under this Regulation this power is given to a Magistrate and not to the Judge. Any Magistrate can try this case. Section 4 of this Regulation says that the trial should be conducted by a Magistrate who is empowered to do so. Now, Sir, I cannot understand how you can expect a Magistrate to try a case of murder when he is responsible for the maintenance of peace and order and whose mind must be prejudiced. Sir, we want that the trial of such cases in which capital punishment can be inflicted should be made only by Judges and not by Magistrates. This is a great defect in the Regulation. Now, Sir, section 11 of this Regulation empowers the police to arrest anybody whom they may suspect of inciting anybody to commit an offence. Once that man is arrested, even on a mere suspicion, he has got to be thrown into the jail and later on his trial is conducted, in the same way as it is conducted under section 110 of the Criminal Procedure Code. But once he is awarded a punishment, there can, of course, be no appeal from that sentence. He has got to remain in jail without having recourse to any higher authority for redress. The only authority which can deal under this Regulation with this case is the Chief Commissioner, who can revise the decision of the lower Court on his own initiative. You know, Sir, that the Chief Commissioner is a very busy man, and he cannot be expected to go into the details of any single file especially when he is not helped by anybody who might have heard the other side as well. Sir, the right of appeal is given to every individual everywhere else except in the Frontier Province. Sir, the police might suspect anybody; they might have a grievance against anybody. I had a similar experience myself. While practising at the bar on the criminal side I have come to know that many people are challaned under section 110 when there is no case against them simply because somebody has made a wrong report against them in the police station and induced the police in this way to challan the man wrongly under section 110. This man when he is challaned under section 110 of the Criminal Procedure Code has got the right to defend himself, and he can file an appeal also if he is convicted by the lower Court. But under this Regulation, this power is kept in the hands of the police. If the police suspect that a man has got the intention of committing a murder, that fact alone is sufficient to arrest the man and throw him into the jail. Sir, intention is the thing which only the man himself can know. Nobody on earth can know the intention of another man, but in the Frontier Province, even if it passes into the mind of a man to commit some offence, he is at once hauled up by the police and put in the jail. This is an immense power which is given under this Regulation to the authorities on the frontier. And I think it is time that this Regulation was repealed altogether. If the authorities think that the Government servants should be given some kind of protection, then I will be the last person to deny them that protection. On the other hand, I shall be the first person to support any law by which the safety of their lives could be secured. My own

idea is that, while in your zeal you wish to protect one man's life, you are inflicting an injury on so many innocent persons. This kind of thing should not be tolerated. If you want a law for the protection of the lives of the Government servants, it must not be in this shape. I am quite willing to lend all my support to any kind of measure that you might bring in for the protection of the Government servants, without injuring other persons and without violating the principles and canons of law.

Another Regulation—I am glad that I do not find anything in the Gazette to show that it has been revived—there was another Regulation called a Regulation for the purpose of securing the peace and safety of the North West Frontier Province. That was brought into force on 7th March, 1922. Its period was nine years, and that received the assent of the Governor General on the 7th March, 1922, and it was published in the Gazette of India, Extraordinary, on the 8th March, 1922. That shows that the nine years period lapsed on the 7th March, 1931, and therefore, it could not be called the law of the land at present, as it had not been revived. I am sure, it has not been revived, as there is no mention of it in the official Gazette. Therefore I must take it that it has not been revived and has lapsed. As it is not at present the law of the land, I do not wish to comment upon it. What I would submit is this, that this should not be the law in the future and it should not come in in the shape of a Regulation again. If the Government feel any necessity for such a measure, or for a measure in a different shape and in a different style for the purpose of protection, which is sought to be given by this Regulation, then we shall be quite willing, and I think the whole House will be quite willing, to lend its full support to it in a proper manner. The Government must come to the House instead of having recourse to Regulations or taking responsibility on their own shoulders alone.

There is a third Regulation, which is quite a recent one, brought into force only this year, that is Regulation III of 1931. This is for safeguarding the public safety in the North West Frontier Province. Now, Sir, what is the public safety that requires safeguarding under this Regulation? We are hearing details as to how this Regulation is administered. People's properties are being snatched away, people are suffering. You pull down anybody's house and say this must come to the Government. You do not give any notice to the man in whose possession the land or the house is. You simply take possession of anybody's house you want, and turn him out. You do not pay proper compensation to him. Simply on the ground that you want his house for the purpose of barracks or for the purpose of making roads, you immediately take possession of his house and he is obliged later on to claim compensation.

Mr. J. G. Acheson (Foreign Secretary): On a point of fact, Sir. One of the main objects of the Regulation is to provide for compensation, or rather the Regulation makes it compulsory that proper compensation shall be paid.

Maulvi Muhammad Yakub: How much compensation did you pay for the events of April last?

Mr. Muhammad Yamin Khan: I quite agree that compensation can be paid and will be paid. But who is to judge what compensation is proper after you demolish a house? The man's house is first demolished and the

[Mr. Muhammad Yamin Khan.]

land is taken possession of, and later on he brings in his claim for compensation in respect of the bricks, the wood and the mortar and so on. But he cannot produce satisfactory evidence to assess the proper amount of compensation, because you have demolished the house and removed all the materials. The result is that you pay compensation according to the whims of the authority who comes to judge what compensation should be paid to the man. If you acquire the land under the Land Acquisition Act, then the property will be standing and you can assess the real value of the building properly. The Land Acquisition Officer will then have a full opportunity to go and see the house and decide how much the property is worth. But under this Regulation you ask the man to produce proof when there is no proof in existence and the amount of compensation is to be proved after the whole evidence has been destroyed by you. How can this poor man bring in any evidence? All the materials of the house remained only in your possession but you have thrown them away somewhere else. That is you have removed all the structures. How much compensation has been paid during the last few months in which this Regulation has been in operation? My Honourable friend, I am sure, would not like to support the measure as it has been worked. Quite naturally you place on the paper certain provisions for the better government and for the good of the country and for the good of the people who are living in the province, but there comes up another man who administers it. You must also judge the man who is going to administer the Regulation. If he puts different interpretations on what your intentions were and if he administers the Regulation in a different way, who is to be blamed? You cannot blame him, because he will turn round and say, "Whatever you have put down on the paper I am carrying out". It may have been your intention, but it is not the intention of the man who is to carry out your orders. Therefore, Sir, we find that under this law as it is being worked at present, there are a lot of hardships in the province and the people there have been unfortunately suffering. They have no organ to ventilate their grievances; they are not allowed to weep. If they open their mouths, they are given a kick. They tell him, "If you dare to speak about this to anybody outside, and if anybody from outside comes here to champion your cause, then take care, you will get a double kick". There are several Regulations in force in that unfortunate Province. People there cannot even speak, they cannot open their mouths against their grievances. It is the other people who have to champion their cause, but the champions of the North West Frontier Province cannot even open their lips because they know there is another Regulation, called the Frontier Crimes Regulation III of 1901, that can deal with them properly. They will have to give an account for every act of theirs if they are not in the good books of the authorities. They can be easily treated, as we call them in our province, like *badmashes*. Now there is terror reigning in the province, because whatever their sufferings, they are not allowed to speak. That is why, we have heard very little of the grievances which the people have got under this Regulation III of 1931. I hope the whole House will agree with me that the Frontier Province deserves the same kind of law which we have got in other provinces at least in matters where property is concerned. You have got the Land Acquisition Act everywhere in force in this country. Why not apply that Act? Why should there be any necessity for having recourse to a special law when the question is only acquisition

of a certain amount of land, which you can buy at the full value. Nobody will grudge to part with his land if you pay the full market value. If you pay proper compensation, there will be no grievance in handing over the property. If you can get for a piece of land, say Rs. 100 in the market, and if the Government want to acquire that land, the man will never get even Rs. 50. People will not be willing to part with their property so easily as they would in the case of private individuals, because the Government would not pay the full market price. If the Government is willing to pay the full price and get the property, nobody has got any grievance about it. I would be the last person to have any grievance against such a procedure.

Mr. J. G. Acheson: I think there has been some misunderstanding of the reasons for this Regulation. It is only intended for emergency purposes when these measures have to be taken as a matter of military emergency, when there is grave danger to troops or the public.

Mr. Muhammad Yamin Khan: I am only talking of the emergency laws.

I am not dealing with permanent laws. This emergency law, which was brought into force in January 1931, is to continue till 1932. What is the emergency that has arisen now? I do not find any emergency at all for taking possession of the land. The grievances I am hearing from the North West Frontier Province are so numerous that I cannot call this measure an emergency Regulation. Is taking possession of another man's house and then demolishing it and building barracks thereon or building roads on that property, is this an emergency measure? We had no attack from the Bolsheviks. We had no attack from Afghanistan. There is no danger from Persia. Then who were coming to this side? Only a few tribesmen who do not very much count. They may be terrible persons; they might give some kind of trouble now and then; but you do not want for that purpose to acquire the whole land and to build roads in Peshawar or to demolish houses in Peshawar. They may be trans-border people, but I do not see how this emergency could exist for two years. It might exist for a few months. If it had existed for two or three months, I would have thought that an emergency had arisen for which this law had come into force. But I find that it has come for two years and it is still retained and today it is the law.

Now, these are the three Regulations, and there is a fourth Regulation which is a terror to the frontier. It is really the law of the frontier. That law is called the Frontier Crimes Regulation, III of 1901. This deserves to be thoroughly gone into. I do not say that it should be repealed entirely, because there may be certain sections which are suitable to that particular province in particular circumstances. But it can come in a different shape. There are certainly some sections which are very obnoxious and which have been worked in a spirit which has caused terror in the minds of the frontier population. For instance take section 40, which is for the purpose of preventing murder, or culpable homicide not amounting to murder or dissemination of sedition. These words "dissemination of sedition" have worked havoc in that province. Anything said in the North West Frontier Province can come up in this category. Anybody there can be hauled up on a charge of disseminating sedition if he tells the people to claim their rights. "Incitement to sedition" is such a wide expression that any action of a person can be brought under the purview of these words, and it is high time that this section, and other

[Mr. Muhaminad Yamin Khan.]

sections, which are in force, should be repealed, and this whole Act ought to have been repealed and a new Act ought to have been brought in with the full concurrence of this House. You have got a Legislature where the people will not deny any redress to the Government. We have never rejected Bills for which there was a necessity and a real necessity, and it would not be right to think that this House will ever reject the right demands of the Government when they are made for proper protection of the people and for keeping the public peace and law and order in that province. But certainly any law which itself violates the principles of laws and destroys all canons of law cannot have the support of this House. I think the Government would be well advised to withdraw these Regulations and come before the House for any protection which they want and convince the House and have their support. Sir, I move my cut.

Mr. N. N. Anklesaria (Bombay Northern Division: Non-Muhammadian Rural): Sir, I support the cut moved by my Honourable friend Mr. Yamin Khan as a protest against the retention of barbarous Regulations on our Statute-book in this year of grace 1931. Sir, the problem of the North West Frontier Province has become a perennial problem for the last so many years, and I regret to note that the Government have failed to do what they should have done to meet popular wishes and desires in the matter. Sir, in 1921, it was, I think, Mr. Montagu, the Liberal Secretary of State, stated in the House of Commons that Regulations and Ordinances and laws which infringe the liberty of the subject should be revised or repealed. Contemporaneously with that statement by the Secretary of State, the Viceroy in India declared that the principle of autocracy in the governance of India was definitely and finally abandoned. Encouraged by this statement and declaration, Mr. Sastri brought his first Resolution in the Council of State recommending the abolition of all repressive laws in our Statute-book. Sir William Vincent, who I think, was the Leader of the House then, said that he was prepared to prove to the country and the people of India that the Government regarded it as the right of the people of India to be governed according to the reformed policy laid down by the Secretary of State, and he said that he would not oppose the Resolution of the Honourable Mr. Sastri. As a matter of fact the Resolution was carried and a committee to consider and report on the abolition of repressive measures was appointed. The committee reported but their Report was pigeon-holed and nothing came out of it. In 1924 my Honourable friend, Mr. Amar Nath Dutt, put a question in this House as to what the Government had done in the matter of the Report of the Repressive Laws Committee, and the usual official answer was given that, for reasons which were given by a previous Leader of the House, that Report was shelved. Then we had only the other day, an adjournment motion on the judicial murder of Habib Nur. That opened the eyes of many of the Honourable Members here, who had heard nothing about the way in which the North West Frontier Province is being administered. Sir, this is the history of the attempts made from time to time to remove from our Statute-books these stigmas of what I should call barbarism, stigmas which in their unmitigated blackness make one pause and consider whether it is a civilised Government that is governing us. Sir, I yield to none in my sense of the necessity of doing everything to uphold law and order, for the maintenance of the orderly progress of this

country; but there are higher things than law and order and if you look at these Regulations and consider what has already been said by my Honourable friend, Mr. Yamin Khan, as to what they contain, you will be reminded of the apostrophe of Madame Stael to Liberty and you would be tempted to say, "Oh, law and order, what crimes are committed in your name!". Sir, the other day we had a discussion on, as I said, the judicial murder of Habib Nur; and arguments were advanced for and against the policy adopted by the Government. I think if a gesture had been made at that time by the Government that they were willing to respect and consider the wishes of this House, possibly the House would have been spared this debate. However, they did not choose to do so. **and this is the way in which the matter has again come before us for our consideration, and I hope this time it will meet with a better fate.** The Honourable the Home Member, at the time of that debate, satisfactorily showed, I think, the incompetency of that adjournment motion. He at the same time transferred the task of dealing with the broad principles involved to my Honourable friend, Mr. Acheson. We heard with great attention what my Honourable friend, Mr. Acheson, had to say in support of the policy adopted in the matter of administering those Regulations in **the North West Frontier Province.** We heard him very attentively, and we were struck by the cogency of his remarks, but as you know the adjournment motion was carried. The chief arguments of Mr. Acheson were that you must also look at the officers who have to carry on the administration of that province. I respectfully and very readily agree with that contention. All honour to the men and women who are carrying on our administration in the North West Frontier Province with the courage **and fortitude which they have been exhibiting all these years, surrounded by the dangers such as they are surrounded by.** (Cheers.) But the experience of these officers as regards the administration in the Frontier Province need not blind us to the barbarity of the Regulations which, by the circumstances of their position, they are forced to administer. **In fact our neighbours, the Afghans, are also under the conditions which are obtaining in the North West Frontier Province.** Are we therefore to imitate our neighbours the Afghans as regards the laws obtaining in Afghanistan? If you look at the Regulations and consider the various provisions, you will be irresistibly brought to the conclusion that it is not the work of a calm and considered legislator but exhibits the mentality of **an angry child who has hurt himself by striking himself against some inanimate object.** It shows that they are laws such as are never found in any Statute-book of any civilised country. Mr. Acheson said that the occasions on which this Regulation, No. IV of 1901, had had to be administered were numerous, presumably thereby asking us to infer that the conditions which necessitated the enactment of that Regulation exist to the present day. I myself have never been to the North West Frontier Province and know nothing of the conditions prevailing there first-hand; but here in this House we have an Honourable Member from that province, who has told us that **the people there yield not a whit to the inhabitants of any other part of India in civilisation and ordered progress—I refer to my Honourable friend, Sir Abdul Quyum.** On the one side there is a responsible officer of the Government of India telling us facts about the Frontier Province. On the other side is an Honourable and esteemed resident of that province also occupying a very responsible position, speaking with his own personal knowledge.

“ [Mr. N. N. Anklesaria.]

Another argument which was advanced from the Government Benches was that a committee was appointed to consider the abolition of repressive laws, and debates were held in this House for the same purpose, but neither in the debates nor in the committee was this particular Frontier Regulation ever considered—I suppose, thereby implying that the committee and this House were convinced of the necessity of retaining the Regulations on our Statute-book; and I think the present Leader of the Opposition, Diwan Bahadur Rangachariar, was cited as having said that it would be a crime to repeal this Frontier Regulation. This *argumentum ad hominem* should not and cannot appeal to this House. I am quite sure the Honourable Leader of the Opposition has by this time changed his views. In any case if he has not, and if the Committee did not consider the feasibility and desirability of repealing the Regulation, it is no argument for its retention on the Statute-book.

Then, I think, the other argument which was addressed to us by the Government Benches was to the effect that though they were prepared to repeal the Regulation when conditions improved, as they had, as it was admitted, in Waziristan, during the last ten years, conditions were such at present that it was not possible to repeal that Regulation at present. That is an argument, Sir, which may apparently seem irresistible, but if you think over it, I think, it could be easily met, because, Sir, you cannot possibly expect the conditions to improve by retaining a constant cause of irritation in the North West Frontier Province. This Regulation, as my Honourable friend Sir Abdul Qaiyum said, instead of putting down religious fanatics, will raise up a far more atrocious product, namely, the political fanatic. Sir, if the object of the Regulation is to terrorise the North West Frontier people by the prospect of summary justice and summary death, then the object is bound to fail miserably in this particular case, because as the preamble and the contents of the Regulation show, it is aimed against a class of people to whom death has no terrors. It will, therefore, I say, be a useless piece of barbarism which will do no credit to the Government if they persist in keeping it on the Statute-book. I respectfully suggest to the Government that they should meet the wishes of this House and they should declare their willingness to appoint a committee to consider the feasibility and desirability of abolishing these patently barbarous laws, and, Sir, through you, I would appeal to His Excellency the Viceroy that he may be pleased to give a parting gift to the North West Frontier Province and make his claim to the title of Irwin the Good absolutely unassailable.

Mr. J. G. Acheson: Mr. President, Government recognise the reality of the doubts felt by Members of this House in regard to the necessity or propriety of a body of law which is applicable only to the North West Frontier Province, and they accept as a natural and indeed healthy sign of the times that, with the approach of representative government in that province, there should be a growing desire that, so far as conditions permit, there should be no discrimination between that province and other parts of India. (Applause.) Government themselves have no wish to keep on the Statute-book any law of which the necessity is not established, and while the House will understand that they are not able to pre-judge the necessity of this or that measure and the need for particular provisions in this or that Regulation, they are prepared to subject the whole

question to examination and review, with the object of reaching decisions as to what it is necessary to retain and what may, without detriment to the public interest, both of the province and of India as a whole, be modified or withdrawn. I am authorised, therefore, to say that it is proposed to appoint at an early date a committee, with adequate non-official representation, to inquire in this light into the whole question of these Regulations. (Applause.)

Nawab Sir Sahibzada Abdul Qaiyum (Nominated Non-Official): Sir, I feel awkward on occasions like these, when I am referred to in this House on a question which relates to the North West Frontier Province. My difficulty is that I have said so much on the subject in this House that the majority of the Members must be thinking that I am either a maniac or a fanatic over the subject

Mr. J. G. Acheson: No.

Nawab Sir Sahibzada Abdul Qaiyum: and they may not give the same consideration to my views as I think they deserve. Well, Sir, the declaration just made is very satisfactory indeed, but I only wish that this statement had come a little earlier. Even now it is not too late, and if Government were to take up the question in right earnest and come to some conclusion about it at an early date, we might yet be able to save a lot of anxiety and trouble. But our experience of the past is so disappointing, especially with regard to the results of the Report of the Bray Committee, which finished its labours in 1922 or 1923, that personally I am not very sure if I shall see the fruits of this proposed committee at as early a date as I should like to see it in the interest of peace, order and contentment in that province—Well, Sir, on this occasion I will not say more than this that the chief point about us is whether we are fit or unfit, *i.e.*, we are good or bad people and whether we form a part of India or not and whether as such we should be treated in the same way as the rest of India or whether we should be governed by any special and stricter laws. I was referred to by the speaker opposite as saying that I considered the frontier men to be as good as any other people of India. Well, Sir, I can quote an authority in support of that view of mine from the Leader of the Opposition. He happened to be a member, and a distinguished member, of the Bray Committee, and if you will only refer to his note of dissent, you will find that he has spoken very highly of the intellectual, mental and physical capabilities of the people of the North West Frontier Province. If he had any difference of opinion with the majority of that Committee, it was as to whether the settled districts of the North West Frontier Province should go back to the Punjab, or should form a separate province with a proper constitution. That might perhaps be a matter of policy, but as regards the fitness of the people, there was absolutely no difference of opinion among the members of that Committee. They all found us quite fit for everything, and if the Leader of the Opposition could then think that we could be re-amalgamated with the Punjab in the year 1922, I wonder if he will not be criticising himself or the administration if he were to say that he finds the province more backward than when he found it in 1922. Sir, either way will suit my purpose. If we have gone backward it is very urgent that we should be brought up to the proper level. If we have kept pace, then there is no reason why we should not be given equal reforms!

[Nawab Sir Sahibzada Abdul Qaiyum.]

But, Sir, there is another reason which pertains to the present cut more directly than these arguments which have been advanced, and it is the improvement of the judiciary of the province. My Honourable friend the Leader of the Opposition was very keen on that. He was very strongly of opinion that the judiciary of the province required improvement. He suggested various ways for the improvement of the judicial administration, and after ten years, he finds the same cry and the same difficulty in the way of that province for the improvement of judiciary. From year to year additional Sessions Judges are appointed there, and there are always arrears of work, but when the proposal for making some of these temporary additional Sessions Judges permanent comes up, some objection or other is raised and those additional Judges are not brought on the permanent cadre. That is one instance. And what is the result of that? The result is that all sorts of Honorary Magistrates, with powers under section 30 and additional District Magistrate's powers, are appointed, and the bulk of the work, the original work, goes to them. Those additional District Magistrates have to deal with cases which go before the Council of Elders under the Frontier Crimes Regulation, and since they are not well up in law, it is only natural for them to prefer that course to the ordinary course of law—with which they are not very familiar. Now, Sir, the people of the North West Frontier Province pay the same court fee and the same taxes, then why should their judicial work be entrusted to honorary men, most of whom are practically uneducated, or unacquainted with the delicate and fine procedure of the law courts? Why should it be so? Well, if there are people who like to do honorary work, let them come forward and do it on two conditions, one of which should be that the men should be fairly educated, say up to the standard of the paid Magistrates, and the second be that they must pass some examination in law, say the departmental examination! But if a man who has never been to school for a single day is given the powers of an additional District Magistrate to try all offences except perhaps murder—no, I think he can try even murder cases under the Frontier Crimes Regulation—then I must say that it is a very queer way of carrying on the judicial administration of that part of the country.

Sir, there is another point which surprises me more, and I am practically a fanatic over it. I see that any law passed in this House or in the Punjab, which imposes penalties or taxes or some other disabilities on people throughout India or in the Punjab, is at once applied to the North West Frontier Province, even if it happens to be the Sarda Act, for which there is no need in the North West Frontier Province. But if there is some law for the good of the people or amendment of some law in the neighbouring province leading to the reduction of land revenue, etc., that law is very reluctantly applied over there. The Punjab Tenancy Act and the Punjab Land Revenue Act are applied to the North West Frontier Province, as they were enacted ages ago when Adam was still alive perhaps, but the amendments made in those laws or the rules framed thereunder for the good of the people are not automatically introduced in our province. So is the case with the District Boards and Municipal Boards Acts. We are not being treated in the same way as the rest of India even with respect to the application of these beneficial and useful laws and rules. I am not going to admit that we are backward in any way. But on the other hand if, as some Members on the Treasury Benches say, ours

is a very important part of India, and supposing that we are important people is the importance simply to be used for imposing disabilities and disadvantages on us, or are we to gain some good out of that importance too? Have they ever thought of reducing our land revenue by half if they cannot remit it entirely, because we live on the border and we have to keep escorts for grazing our cattle and so on, or when going from one place to another we have to take a rifle or a retainer or something else, to protect ourselves? Have they ever taken into consideration those difficulties of ours and given us a little remission in the land revenue? No. Those things never occur to them. So much so, that when the Punjab Government some years ago raised the rate of court fees to something like 11 per cent. from $7\frac{1}{2}$ per cent. or so, I am not sure of the figures as I believe, though I am not a practising lawyer, our rates of court fees were increased to 11 per cent. all at once and are still 11 per cent. and have not been reduced yet I believe, though in the Punjab the rates have again been reduced to $7\frac{1}{2}$ per cent. (*An Honourable Member*: "It is still 11 per cent. in the North West Frontier Province.") That is the disability from which we are suffering.

Then, Sir, I have moved a cut about the inadequacy of funds provided in the Budget for our nation-building Departments which I am afraid will never come up before the House, but I suppose I can speak on this cut about it. After enquiry on the spot, it was found that we were very backward as compared with the Punjab in all the nation-building Departments, and requisitions were sent up to the Central Government and we were supported by the Departments concerned after carefully going through all the cases. When it was found that we were backward and we required money for the improvement of those Departments, the God above having allowed this general economic depression to come over the country, the smaller god of the Finance Department says, "No. I cannot devote the whole of my taxation to your province. I will give you a little here and a little there, until Heaven is more merciful to us all". But the Finance Member has given away his case, for he has told us that there is a surplus, which will be devoted to research work or the discoveries of science, etc. Cannot he devote a part of that surplus to the improvement of the nation-building Departments of our province? These are some of the disadvantages and inconveniences under which we are labouring and if the Government were to consider them at an early date, we on the frontier shall be highly obliged.

Sir Abdur Rahim: We are all very pleased to hear from the Honourable Member, speaking on behalf of the Government, that they contemplate the appointment of a committee in order to go into the question of these Regulations, to find out whether they should be repealed altogether or modified in a way that may be found necessary. That is satisfactory so far as it goes, but all the same I think this House is entitled to have some clear idea as to the nature of the Regulations which are now under consideration. My Honourable friend Mr. Yamin Khan has pointed out some of the special features of these laws, and it is not necessary at this stage, especially now that a committee for enquiry has been promised, to dilate at any length on these questions. My Honourable friend, Sir Abdul Qaiyum, has told us that the people of the North West Frontier Province are specially anxious that their daily administration should be placed on a par with the daily

[Sir Abdur Rahim.]

administration of the other provinces. That is the summary of their grievances. The North West Frontier Province is undoubtedly a very important part of India, and I consider the problem relating to that province to be the crux of the entire problem. If the Frontier Province is to be a source of perpetual ferment and unrest, it is very easy to imagine that the rest of India can never feel itself secure and can never advance properly, as we all expect her to do. It is specially in the interests of the India of the future that the problem of this province should be set at rest as soon as possible. With a Frontier Province uneasy and disturbed, there cannot be that amount of national progress which is absolutely necessary if India is to take her legitimate place among the nations of the world. We all know the history of that province. Before 1901, it was part of the Punjab administration—these five settled districts as they are called, though I should call them unsettled districts. They were part of the Punjab before 1901, and it was Lord Curzon who in 1901 announced the separation of these districts from the Punjab. I believe it was not without difficulty that he succeeded in his object, and in the Darbar of 1901, he announced publicly that the people of these five settled districts would not

lose any of the privileges which they had been hitherto enjoying.
 4 P.M. But what has actually happened? Can any one say that the people of these five settled districts are in fact enjoying the same privileges as the people of the Punjab, of which they formed a part before 1901? Most surely not. From what we know of the administration of that province, there is perpetual unrest and difficulty. For one thing the centre of the administration is here, in Delhi. Before Delhi it was in Calcutta. That is to say, the administration of the North West Frontier Province was directed by the Central Government. What has been the result? The result has naturally been that the Central Government was out of touch with local affairs. The men who were on the spot and who had the guidance of the affairs of that province had to look to a distant place for every administrative act. And we know further that in this House it is not always easy to get information as to what is happening there. That raises the wider question as to the future constitution with which we are not concerned on this motion. At the same time the question whether the administration is to be carried on with the help of these Regulations or not is one of urgent and vital importance. I will just draw the attention of the House to the Preamble, and the first section of the Frontier Crimes Regulation. Sections 1 to 5 and some others are of general application but the remaining sections, that is the more rigorous sections, may be enforced wholly or in part, as the case may be, only against Pathans and Baluchis and such other classes as the Local Administration, with the previous sanction of the Governor General in Council, may by notification in the local official Gazette declare to be subject thereto. That is the spirit of the entire Regulation. This sort of administration of the law by classes is extremely objectionable and is opposed to all canons of jurisprudence. If an individual commits a crime, punish him, but why punish other people who are absolutely innocent, simply because they are of the same community as that to which the culprit belongs? If I am guilty, punish me by all means as severely as you think I deserve, but to punish others—innocent children, relations, friends and even absolute strangers who happen to belong to the same community—is surely opposed to all dictates of justice.

It is not law, as we understand it, and that is the whole tenor of this Regulation. Sir, the Pathans may have their drawbacks and their weaknesses. Every community has, for the matter of that, its drawbacks (Hear, hear), but are you going to have special legislation for communities? Are you going to have special Penal Codes, special Criminal Procedure Codes? Where then are you going to stop? Sir, this is a thing which is unknown in any civilized form of Government, at any rate in these days. That is the chief objection to all these Regulations. Similarly, as it appears from the case of that unfortunate man, Habib Nur, the Regulation under which he was summarily executed was also really intended not merely to punish the individual, but to punish a class. If a man is dubbed a fanatic, then this special law comes in, that is, if he belongs to a tribe which is supposed to be fanatical, then this law will operate—a sort of law which is unknown in any other part of the world. Many of the provisions of all those Regulations are not designed to punish the offending person alone, who commits or is about to commit an offence, but to punish a whole tribe, a whole village, it may be even a whole district. That is the most objectionable character of these Regulations. I do not want that the Government should be committed to prejudging the issue. But it is the objectionable features of the Regulations which are in force that are at the basis of the cry of the people of that province, which is represented by such a distinguished person as my friend, Sir Abdul Qaiyum, that they should not be placed under disabilities—which is indeed a very mild phrase—by special laws of this character. The entire energy and liberty of the people are paralysed, as a matter of fact the whole community is paralysed by such laws. Punish individuals as much as you can if they offend against the law, if they are going to create troubles, but do not have laws against communities. Once you have them, the whole community becomes paralysed. That is most serious, but that has exactly been the result. I am informed that, as long as the Frontier Province was part of the Punjab, the people were progressing very peacefully, very satisfactorily. As a matter of fact, some of them held administrative posts and performed their duties in a very satisfactory manner, and were largely trusted by the people. But since these Regulations came into operation, and these people were separated from the Punjab, and these acts of a communal character directed against a class were enforced, the whole aspect of things has undergone a radical change, and you hear now of nothing but trouble, unrest, riots, shootings, affrays and—rumour has it—all sorts of excesses. When you have legislation of that kind, when the executive authority is armed with such wide powers, with weapons of this dangerous character, the natural result is that excesses are committed; people feel aggrieved because it is not what they themselves have done that is taken into consideration but what others might or might not have done. Sir, then as regards the general features of the administration there, you are not taking the people of the N. W. F. Province at all into your confidence. For instance, as my friend, Sir Abdūl Qaiyum, has pointed out, the people are not allowed an adequate voice even in the local administration. The very procedure, the very constitution of the courts of the administrative authorities is of a primitive character, that is to say, what we are used to in the backward non-regulation provinces inhabited by more or less primitive tribes. The un-satisfactory character of the judicial and administrative machinery has created very grave difficulties. It is high time, especially as we are in sight of far-reaching reforms, that

[Sir Abdur Rahim.]

the judicial administration of the province was placed on a more regular footing. I do not want to make any sort of reflections on the officers in charge of the administration, but the system undoubtedly is wrong, at any rate the system that is now prevalent there has lagged behind the needs of the times. We are living in days when the people of the N. W. F. Province would no longer tolerate being subjected to an administration which is not on a par with the rest of India. Sir, I do not think it would serve any useful purpose for me to occupy any more of the time of the House, but I do hope that the committee which the Government are going to appoint will be of such a character as to command the confidence of the people. Sir Abdul Qaiyum has already struck a somewhat pessimistic note. I do not want to follow him there, but as the Government are well aware, unless the committee is in its composition of a character that will command the confidence of the general public, the very object that is sought to be served by such a committee will be defeated. So I cannot but press very strongly upon the Government that so far as the composition of the committee is concerned, they will take every care to make it representative, and of a character that will secure at once the confidence of the public. As regards the scope of the committee, I should also suggest to the Government that if, as a matter of fact, proposals are made for the repeal of these Regulations, it may be necessary to consider what alterations in the administrative arrangements become necessary in consequence of the repeal of these Regulations, and the scope of the committee ought therefore to be wide enough to include the readjustment of any administrative arrangements that may become necessary owing to the repeal of these Regulations. If the scope of the committee is sufficiently wide and the composition of the committee and the procedure to be observed by the committee be properly thought out, then I have not the least doubt that it will serve a very useful purpose and a great deal of mistrust, and I venture to think, a great deal of the agitation, which is now prevalent in that province, will pass away.

Diwan Bahadur T. Rangachariar: Sir, I did not intend to take part in this debate for more than one reason, but as I have been referred to by name by Honourable Members, two of them at any rate, it will not be courteous on my part to remain silent on an important matter like this. I may at once say to my Honourable friend, Sir Abdul Qaiyum, that the high opinion that I formed of my brethren in the Frontier Province both of the physical, mental and moral qualities remains as high as ever, if not higher. (Applause.) Having been associated with gentlemen like him and having seen the people in their homes, my only regret is that we do not see more of them with us, here, for we will learn many qualities from them. Sir, one of the subsidiary questions which I had to consider on that Committee was this question of the judicial administration of the province. We had to consider the executive administration of the province and also the judicial administration of the province. The latter question was considered independently of the other question, namely, what the future administration should be of the whole province? Whether it should be reamalgamated with the Punjab or whether it should continue as a separate province. And bearing on them was this question of the judicial administration. Therefore, we considered this question from both points of view.

The necessity for improving the judicial administration of the province was one of the grounds that I took in my plea for the re-amalgamation with the Punjab. If my friend, Sir Abdul Qaiyum, had accepted my view then, he would not be still crying as he is now doing about the maladministration of the judicial system of the province. At that time, I subjected these Regulations to a very close scrutiny. If the Honourable Members will pay me the compliment of reading the Report of the Bray Committee from page 83 to page 89, they will observe that there could not be a more violent criticism of the provisions of the laws and of the ways in which they are administered in that province. And I do not think any speaker in this House has subjected those Regulations to the same critical examination as I have done in my Report. I have pointed out the anomalous provisions contained therein; I have pointed out how extraordinary they are; I have pointed out that they are not only extraordinary in their nature but also that they are administered in a way which is more the misuse and abuse of those provisions. I referred to all these matters, and then concluded with this recommendation on page 89:

"The question of making necessary amendments must be examined by a committee appointed for this purpose and I do not propose therefore to deal with this any further."

I said then also that otherwise there would be no safety to the public because of the way in which the laws were administered. That was the opinion that I formed then. I quoted instances where there was high-handed use of the powers given to the Deputy Commissioners and others. I have quoted chapter and verse and supported them by references, and then I suggested that a special committee should be appointed for the purpose of examining these Regulations in order that they may be amended. I will quote to the House the passage which was perhaps in the mind of the Honourable the Home Member when he quoted me the other day in my absence.

"It cannot be disputed that some of these special and strange provisions of the laws and regulations are necessary to be preserved for the proper administration of the Frontier area."

Still that is my opinion, unless things have changed in the Frontier Province, because it is now more than nine years since I visited that province right through. Unless things have greatly improved, I still consider, and I do not hesitate to say it, that it would also be my conviction today if the condition of the country were the same as it was when I visited it, namely, that some of the special and strange provisions will have to be retained. But I then stated that British subjects inside the settled area should not be subjected to special procedures, but that they should be treated on a different footing from the people across. Anyway, I will not go into the details of the case now. But I may say at once that I am in full sympathy with the object of this motion and I am very glad to know that the Government have at this time, at any rate, awakened to the necessity of accepting the advice which I gave them as long ago as 1924. If my recommendations had been acted upon and if my Honourable friends did not then stick to the great bait of a promise that was held out to them in the Majority Report, things would have been different. I knew that proposal was meant merely to rouse hopes and then to shatter them later on. That was the way in which I looked at the Majority Report. The Majority Report was not acted upon. In fact, if I may say so, it was not intended to be acted upon.

Nawab Sir Sahibzada Abdul Qaiyum : Sir, I was the first witness before that Committee and I did lay the case of the North West Frontier Province before it. But the last sentence of my statement was that, if full-fledged reforms could not be given to us, we would like to go back to the province of the Punjab.

Diwan Bahadur T. Rangachariar : I still wish my friends of the frontier better administration. They have not got good administration either on the executive side or on the judicial side. There is no excuse for the way in which things are going on, at any rate on the judicial side. If the judicial administration had been under the jurisdiction of the High Court of the Punjab, things would have been quite different from what they are today. Sir, my recommendation was that, whatever view might be taken as regards the executive administration, at any rate the control over the judiciary must be exercised from the Punjab. The recruitment of the judiciary should be brought into line with that of the neighbouring province of the Punjab. Even that was not accepted. My friend could have been in a much better position today. He would not be complaining today of the state of things in the North West Frontier Province if he had accepted my advice.

Mian Muhammad Shah Nawaz : We will not have these Regulations.

Diwan Bahadur T. Rangachariar : My friend is so uncharitable that he does not want to have these brave people even though he is pleading for them here. But I do not wish to trespass on that ground, as that question is before the Round Table Conference. The attitude that I propose to take on this and similar other questions is that I will not complicate the work of the Round Table Conference, which is difficult enough, by raising those issues on the floor of this House. Sir, I will leave them alone. I will not follow my Honourable friends who have trespassed beyond the Resolution before the House, and have spoken about other matters. I am not going to follow their example and I reserve to myself the right of saying whatever I may have to say later on. But certainly, I will not make the future progress of the Round Table Conference more difficult by making any statements here. Sir, I am in full sympathy with the object of the motion, and I would advise my Honourable friend the Mover of the motion to accept the offer made by the Government, because it is a difficult matter. I know it is a difficult matter. It is not such an easy matter on which you can give opinions on the spot. You have to subject the Regulations to a critical examination, and it is only a technical committee, a good committee that can deal with it. I hope it will be a strong committee which will deal with all the questions and bring necessary peace and good to the province. Sir, I welcome the announcement made by Government on this very difficult question.

Mr. Gaya Prasad Singh : Sir, I rise to support this motion. But I want, in the first place, to congratulate my Honourable friend Sir Abdul Qaiyum for having drawn out the leader of my party into an expression of his opinion. The Honourable Diwan Bahadur Rangachariar started by saying that he had no intention of participating in this debate, and Sir Abdul Qaiyum successfully drew him out. My Honourable friend Mr. Yamin Khan has dealt with the Regulations in force in the North West Frontier Province in a comprehensive manner, and I am not going to traverse the ground over again. I will refer only to one Regulation,

Regulation IV of 1901. The Frontier Murderous Outrages Regulation with respect to which this House successfully carried a motion of adjournment the other day. What was the point in the censure motion which the House adopted on that occasion? The man, Habib Nur, had already been executed when the matter was reported to the House. If I understand aright, in the censure which was administered to the Government, the intention was that this House was not going to tolerate the retention on the Statute-book of any drastic Regulation, such as the one under reference. All the formalities of this law were complied with, I take it, in the trial and execution of this unfortunate man. The procedure prescribed in the Regulation was already complied with. The man was found guilty under the Regulation. He was given an opportunity such as it was, of making his defence under the Regulation. He admitted his crime, and the next day, he was executed. Apparently, Sir, the procedure laid down in the Regulation was complied with. But if the censure motion had any meaning at all, the meaning was this, that this House was not going to tolerate a Regulation which denies the elementary rights of fair play and justice to the accused individual.

Now, Sir, with regard to another Regulation. The North West Frontier Province Security Regulation of 1922, I should like to bring to the notice of the House that a man like your distinguished predecessor, Mr. V. J. Patel, and a public leader of the eminence of Pandit Madan Mohan Malaviya were prevented from entering into Peshawar to hold an enquiry into the disturbances that occurred in April last year. The Regulation, Sir, which prevents the entry of such respectable gentlemen into any place is a Regulation which stands self-condemned, and no words of mine, or of this House would be sufficient to condemn the retention on the Statute-book of such a Regulation. (Hear, hear.)

Sir, I should like to bring to the notice of the House the case of one individual, an humble individual, it may be, but an individual who was dealt with very unjustly under this Regulation last year. The name of the individual is Mr. Jai Chand Vidyalankar, a resident of the district of Lyallpur, Punjab. He worked for some time in the Tilak School of Politics started by the late Lala Lajpat Rai. He was also a teacher in the Kashi Mahavidyalaya and in the Behar Vidyapith. He is the brother of Srimati Parbati Devi, who was one of the first batch of ladies to go to jail on a charge of sedition. His younger brother is Indra Chandra Narang, who is, I believe, in Buxa jail in Bengal. This is the record of this man. Unfortunately he was married in Dera Ismail Khan. On 15th May, 1930, he went to Dera Ismail Khan, and reached there at about 10 A.M. for the purpose of taking his wife with him. But the same night at about 11 o'clock, he received a summary order of deportation from the Chief Commissioner of Peshawar. He was put on board a motor launch and was taken across the Sindh. The order of deportation which was issued by the authorities of the North West Frontier Province reads thus:

"Whereas in the opinion of the Chief Commissioner, there are reasonable grounds for believing that Jai Chand Vidyalankar of Lahore is about to act in a manner prejudicial to the peace and good government of the North West Frontier Province, the said Jai Chand Vidyalankar is hereby directed under the provisions of section (3) (b) of the North West Frontier Province Security Regulation, 1922, as amended by Regulation III of 1923, not to enter, reside or remain in the North West Frontier Province."

[Mr. Gaya Prasad Singh.]

What justification was there for such an order? What are the grounds on which it was based? I received this letter from Mr. Jai Chand Vidyalankar himself the other day. I submit that any Regulation or any law which infringes the ordinary rights of citizens and the claims of natural justice stands self-condemned. I am very glad to hear from my Honourable friend, the Foreign Secretary, the announcement of a committee of enquiry, which will go into the question of the repeal of these Regulations. But much depends on the personnel of this committee. We, on this side of the House, are not very much enamoured of committees, which are meant for shelving or solving, unless they are constituted on a proper footing. The public must have full confidence in the constitution of the committee. I hope and trust that the committee which is going to be set up in this matter will be a committee of a character to which no exception can be taken.

My Honourable friend, the Foreign Secretary, also made some reference to what he called public interest. "Public interest" is a very comprehensive expression which can mean anything or nothing. The *lathi* charges and other acts of repression which had been taking place all over the country during recent months have all been tried to be justified on the plea of public interest. I am not going, Sir, to rake up any feeling in this matter with reference to things which now no longer exist, and which I hope it will not be necessary to revive any more. I should content myself only with welcoming the announcement which my Honourable friend the Foreign Secretary made, that a committee is soon going to be appointed, and I hope that as a result of the deliberations of this committee, all the Regulations or laws which infringe upon the natural rights of individuals will be repealed from the Statute-book.

Maulvi Muhammad Yakub: Sir, at this late hour, after the speech which has been made by my Honourable friend, the Foreign Secretary, I think it is not necessary for me to go into the details of the Regulations about which this cut has been moved. I associate myself with my friends in welcoming the formation of the committee. But what I have to submit about this committee is that it will not, I hope, meet with the same fate as another committee which was formed in the first year of the inauguration of the Montagu-Chelmsford Reforms, I mean in 1921. In that year the Bray Committee was formed, according to a Resolution passed by this House. The Report of the Committee was signed, so far as I remember, on the 9th October, 1922, but since that time, nine years have elapsed, and no action has been taken upon the recommendations of that Committee. I hope that this committee, which my Honourable friend the Foreign Secretary has announced today, I hope that the results of this committee will not meet with the fate of the Bray Committee, and that action will soon be taken upon the recommendations of this committee. I also entirely associate myself with my esteemed friends Sir Abdur Rahim and Mr. Gaya Prasad Singh with what they have said about the composition of this committee. I hope that the composition of this committee will be such that it will command the confidence of this side of the House.

In conclusion, Sir, I wish only to say a few words. I have just been informed that the Honourable the Chief Commissioner of the North West Frontier Province has issued a proclamation of peace. He wants the

dead past to bury its dead, and he says that in future there will be no distinction between the Frontier Province and the other provinces. I welcome this announcement of the Chief Commissioner, and I hope I am voicing the feelings of this House when I say that we on this side of the House congratulate the Chief Commissioner for properly handling the situation and making this announcement. As Sir Tej Bahadur Sapru said in one of his speeches in London, it is trust which removes mistrust, and now, that this new era of trust has been ushered in, I hope it will continue as it has started, and let us feel confident that the North West Frontier Province will enjoy the free atmosphere of full Dominion Status with the other provinces of India. With these remarks I conclude my speech, but before I sit down, I will only say that I congratulate my esteemed friend, Sir Abdul Qaiyum, who will probably be glad to find that, in his old age, his lifelong ambition is going to be fulfilled. There is a silver lining in the dark atmosphere of the North West Frontier Province, and I congratulate Sir Abdul Qaiyum on the fact that his efforts are now about to be crowned with success.

Mr. Muhammad Yamin Khan: Sir, I welcome the announcement which has come from the Honourable Member in charge of this Department in this House. I know that the real person who is in charge of this Department in the Government is a personality today who has got the greatest respect in the mind of every individual in India, *i.e.*, His Excellency Lord Irwin. He is directly in charge of this portfolio, and I find that the same spirit, which was evinced in other matters, has been shown in the announcement which my Honourable friend the Foreign Secretary has been authorised to make today. This announcement has not come as a surprise to me, because I knew that the person at the helm of this Department was one from whom I expected this every minute. Sir, when I moved this out, I did not want to divide the House on the past grievances, but I wanted redress for the future; and I know that the best remedy which can come to the people of the North West Frontier Province will be by way of a committee which may go thoroughly into the matter and into all these Regulations and amend them in such a way as may be suitable in the circumstances prevailing in that province. On account of this announcement which has been made by Government today, I do not wish to press my motion to a division and I beg leave to withdraw it.

The motion was, by leave of the Assembly, withdrawn.

The Assembly then adjourned till Eleven of the Clock on Thursday, the 12th March, 1931.





